

3. Proformas:

- a. Development Budget. Please provide a detailed development budget showing the following:
 - i. Sources of funds: first mortgage permanent loan, subsidy funds if any (please itemize each), equity from borrower or limited partners. If the construction-period financing has been identified, please indicate the intended construction lender and sources of funds expected during construction.
 - ii. Uses of funds: land acquisition, construction costs (broken down between sitework and building costs), and soft costs (identifying in detail the professional costs paid to third parties, the reserves proposed if any, the legal and closing costs, the financing costs, and the overhead and fees to be paid to the developer)

- b. Operating Budget. Please provide an operating budget, showing, upon completion, sources of operating revenue (broken down by rental income from each unit type, plus income from other sources), and operating costs (showing management fees, administrative costs, repair and maintenance costs, utility costs, taxes and insurance costs, and contributions to reserves if any).

70 Rowe Street
Newton, MA

Dinosaur Capital Partners

Development Budget		150	Per Unit
Land		\$10,210,000 \$	68,067
Hard Costs			
General Conditions		\$1,500,000 \$	10,000
Sitework		\$2,625,000 \$	17,500
Building & Garage		\$21,375,000 \$	142,500
SubGuard / Subcontractor Bonding	1.5%	\$382,500 \$	2,550
General Liability Insurance	1.25%	\$318,750 \$	2,125
Contractor Contingency	3.0%	\$765,000 \$	5,100
CM Fee	4.0%	\$1,020,000 \$	6,800
Contractor GMP		\$27,986,250 \$	186,575
Hazardous Materials Abatement		\$400,000 \$	2,667
Environmental / Geotech Svcs		\$200,000 \$	1,333
Miscellaneous Permits + Testing		\$50,000 \$	333
Security equipment		\$50,000 \$	333
TOTAL HARD COSTS		\$28,686,250 \$	191,242
Owner's Hard Cost Contingency	5.0%	\$1,434,313 \$	9,562
Soft Costs			
Permitting- legal, traffic, geotech		\$150,000 \$	1,000
Offsite Improvements / Community Benefits		\$100,000 \$	667
Architecture & Engineering		\$1,000,000 \$	6,667
Construction Loan Fee + Costs	1.5%	\$505,726 \$	3,372
Construction Interest (4% I/O, 70% O/S, 24 MO)		\$1,903,500 \$	12,690
Development Fee and Project O/H		\$2,250,000 \$	15,000
Real Estate Taxes (2 yrs)		\$100,000 \$	667
Builder's Risk Insurance		\$125,000 \$	833
G&A - legal, acctg, etc.		\$275,000 \$	1,833
Marketing & Setup costs		\$350,000 \$	2,333
Building Permit and Muncpal Fees		\$320,000 \$	2,133
Operating / Debt Service Reserve		\$700,000 \$	4,667
Total Soft Costs		\$7,779,226 \$	51,862
Soft Cost Contingency	5.0%	\$390,211 \$	2,601
Total Development Cost		\$48,500,000 \$	323,333
Sources of Funds			
Equity		\$12,125,000	25%
Construction Loan		\$36,375,000	75%

70 Rowe Street
Newton, MA

Dinosaur Capital Partners

Projected Revenue

Unit Type	Units	SF	2014 Rent/SF	Monthly Rent	2014 Rent	2016 Rent
<i>Market</i>						
Studio	18	462	\$4.11	\$1,900	\$410,400	\$435,393
One Bedroom	49	636	\$3.85	\$2,450	\$1,440,600	\$1,528,333
Two Bedroom	41	940	\$3.43	\$3,225	\$1,586,700	\$1,683,330
Three Bedroom	12	1272	\$3.07	\$3,900	\$561,600	\$595,801
Subtotal - Market	120				\$3,999,300	\$4,242,857
<i>Affordable</i>						
	20% @ 50% AMI					
Studio	4	462	\$1.58	\$729	\$34,992	\$37,123
One Bedroom	13	636	\$1.34	\$851	\$132,756	\$140,841
Two Bedroom	10	940	\$1.03	\$972	\$116,640	\$123,743
Three Bedroom	3	1272	\$0.86	\$1,094	\$39,384	\$41,782
Subtotal - Affordable	30				\$323,772	\$343,490
Total Apartment Rental Income	150		\$3.09	\$2,402	\$4,323,072	\$4,586,347
Enclosed Parking	75			\$150	\$135,000	\$143,222
Other Income (App Fees, Pets, Storage, etc.)	150			\$30	\$54,000	\$57,289
Gross Potential Revenue					\$4,512,072	\$4,786,857
Less: Vacancy and Credit Loss	5.00%				-\$225,604	-\$239,343
Effective Gross Income					\$4,286,468	\$4,547,514

Note: Electric, gas, and water & sewer usage are submetered and fully reimbursed by tenants.
 2014 rents are inflated 3% per annum

70 Rowe Street
Newton, MA

Dinosaur Capital Partners

Projected Expenses

	150			
Operating Expenses	\$/Unit	2014 \$	2016 \$/Unit	2016 \$
Engineer (inc 35% benefits)	\$495	\$74,250	\$525	\$78,772
Property Manager (inc 35% benefits)	\$585	\$87,750	\$621	\$93,094
Advertising & Marketing	\$250	\$37,500	\$265	\$39,784
Landscaping (includes snow)	\$350	\$52,500	\$371	\$55,697
Contract Services-clean, elev, pest	\$300	\$45,000	\$318	\$47,741
Repairs & Maintenance	\$350	\$52,500	\$371	\$55,697
Make Ready / Turnover	\$250	\$37,500	\$265	\$39,784
Utilities - CA + unreimbursed	\$500	\$75,000	\$530	\$79,568
Insurance	\$225	\$33,750	\$239	\$35,805
Real Estate Taxes	\$2,500	\$375,000	\$2,652	\$397,838
Management Fee 3.0%	\$848	\$127,258	\$900	\$135,008
Administrative	\$250	\$37,500	\$265	\$39,784
Total Operating Expenses	\$6,903	\$1,035,508	\$7,324	\$1,098,571
Reserves			\$225	\$33,750

Notes: Electric, gas, water & sewer are fully reimbursed by tenants.
 2016 Expenses are inflated from 2014 by 3% per annum

Section V: Municipal Actions

Please describe below the contact you have had to date with the Town/City regarding this Project.

A preliminary scoping meeting was held with City of Newton planning staff including traffic and housing specialists as well as representatives from DPW and the Fire Department on May 23, 2014. Subsequently, at the request of City of Newton Planning staff, a meeting with two of three local ward Aldermen was held at the site and a public meeting held on June 19, 2014.

Please describe below any actions you are aware of which the municipality has taken to promote the development of affordable housing .

The City of Newton's 2007 Comprehensive Plan makes increasing the stock of affordable housing a high priority. In particular, development of affordable housing is encouraged near the City's villages. The City has also adopted an inclusionary housing bylaw requiring all new development to include a percentage of affordable housing.

Section VI: Sustainable Development Characteristics

Please describe below any aspects of the Project which are in keeping with the ten Massachusetts Sustainable Development Principles.

Sustainable Development Principle

70 Rowe Street

<p>1. Concentrate Development and Mix Uses Support the revitalization of city and town centers and neighborhoods by promoting development that is compact, conserves land, protects historic resources, and integrates uses. Encourage remediation and reuse of existing sites, structures, and infrastructure rather than new construction in undeveloped areas. Create pedestrian friendly districts and neighborhoods that mix commercial, civic, cultural, educational, and recreational activities with open spaces and homes.</p>	<p>70 Rowe Street is located within walking distance of Newton's village of West Newton. It is the compact reuse of a former industrial brownfield use. It will improve Rowe Street by making it more pedestrian friendly and provide access for residents and abutters to a mix of nearby residential and commercial uses.</p>
<p>2. Advance Equity Promote equitable sharing of the benefits and burdens of development. Provide technical and strategic support for inclusive community planning and decision making to ensure social, economic, and environmental justice. Ensure that the interests of future generations are not compromised by today's decisions.</p>	<p>70 Rowe Street will create affordable housing in a community whose residents are predominantly middle to upper income while providing new low- and moderate- income residents with access to better jobs and schools.</p>
<p>3. Make Efficient Decisions Make regulatory and permitting processes for development clear, predictable, coordinated, and timely in accordance with smart growth and environmental stewardship.</p>	<p>The comprehensive permit will provide an efficient permitting process that will minimize time to construction.</p>
<p>4. Protect Land and Ecosystems Protect and restore environmentally sensitive lands, natural resources, agricultural lands, critical habitats, wetlands and water resources, and cultural and historic landscapes. Increase the quantity, quality and accessibility of open spaces and recreational opportunities.</p>	<p>An existing brownfield will be remediated and converted to productive residential development. No undeveloped land will be developed. Preference will be given to preserving mature trees on the site.</p>
<p>5. Use Natural Resources Wisely Construct and promote developments, buildings, and infrastructure that conserve natural resources by reducing waste and pollution through efficient use of land, energy, water, and materials.</p>	<p>LEED certifiable construction will ensure that natural resources are conserved. Energy efficient technologies, recycled and/or non- or low-toxic materials will be employed. The project will meet or exceed modern stringent energy codes.</p>
<p>6. Expand Housing Opportunities Support the construction and rehabilitation of homes to meet the needs of people of all abilities, income levels, and household types. Build homes near jobs, transit, and where services are available. Foster the development of housing, particularly multifamily and smaller single-</p>	<p>This new construction increases the number of rental units available to residents of the Commonwealth, including low- and moderate-income households and diverse household types. The project expands the affordable housing stock in Newton, moving the City closer to its affordable housing goals. This multi-family</p>

<p>family homes, in a way that is compatible with a community's character and vision and with providing new housing choices for people of all means.</p>	<p>housing is the embodiment of the goals set forth in Newton's 2007 Comprehensive Plan.</p>
<p>7. Provide Transportation Choice Maintain and expand transportation options that maximize mobility, reduce congestion, conserve fuel and improve air quality. Prioritize rail, bus, boat, rapid and surface transit, shared-vehicle and shared-ride services, bicycling, and walking. Invest strategically in existing and new passenger and freight transportation infrastructure that supports sound economic development consistent with smart growth objectives.</p>	<p>The project reduces dependence on private automobiles due to its close proximity to MBTA Commuter Rail and Express Bus. Possible provision of shared vehicle parking may reduce automobile ownership. Secure and enclosed bicycle parking will encourage residents' bike usage.</p>
<p>8. Increase Job and Business Opportunities Attract businesses and jobs to locations near housing, infrastructure, and transportation options. Promote economic development in industry clusters. Expand access to education, training, and entrepreneurial opportunities. Support the growth of local businesses, including sustainable natural resource-based businesses, such as agriculture, forestry, clean energy technology, and fisheries.</p>	<p>The project will complement existing job and business opportunities in the nearby West Newton and Auburndale villages and support local merchants. Some residents will work at home and increase employment opportunities in that way.</p>
<p>9. Promote Clean Energy Maximize energy efficiency and renewable energy opportunities. Support energy conservation strategies, local clean power generation, distributed generation technologies, and innovative industries. Reduce greenhouse gas emissions and consumption of fossil fuels.</p>	<p>The project will be LEED certifiable supporting energy efficiency. Implementation of roof-top solar arrays is possible. Easy access to transit will promote usage and reduce private vehicle use and consumption of fossil fuels and greenhouse gas emissions.</p>
<p>10. Plan Regionally Support the development and implementation of local and regional, state and interstate plans that have broad public support and are consistent with these principles. Foster development projects, land and water conservation, transportation and housing that have a regional or multi-community benefit. Consider the long-term costs and benefits to the Commonwealth.</p>	<p>This compact, transit oriented development in a mature and affluent suburb provides housing opportunities to a broad and diverse group of residents. It supports the regional planning goals of the Commonwealth to utilize existing public transportation resources and minimizing conversion of exurban green space for new development.</p>

Dinosaur Capital Partners LLC

1 July 2014

Mr. Aaron Gornstein
Undersecretary for Housing and Community Development
100 Cambridge Street, Suite 300
Boston, MA 02114

*Re: Notice of Application for Chapter 40B Project Eligibility Letter –
Massachusetts Housing Partnership MHP/Fannie Mae Affordable Financing Program
for 70 Rowe Street, Newton, MA*

Dear Undersecretary Gornstein:

In accordance with Section 31.01(2)(c) of the Rules of the Housing Appeals Committee (760 CMR 31.01), this letter serves to formally notify the Department of Housing and Community Development that a request for a Project Eligibility Letter has been made by Dinosaur Rowe LLC, an affiliate of Dinosaur Capital Partners LLC, to the Massachusetts Housing Partnership under the MHP/Fannie Mae Affordable Financing Program.

Sincerely,

DINOSAUR CAPITAL PARTNERS LLC

By: 
Scott I. Oran, Manager

cc: Mark Dufton
David Hanifin, Massachusetts Housing Partnership