April 4, 2013:
Original Received
April 21, 2013:
Development Budget updated
Follow up responses rcvd.
Draft Management Plan rcvd.
Project Schedule rcvd.
Mgmt. Agent Profile rcvd.
Floor Plans rcvd.
May 1, 2013
Follow up responses rcvd.
Operating Budget updated

Engine 6

Newton, MA

A Proposal to Fund the Development of 10 Units of Affordable Housing

Submitted to:
The City of Newton Housing Partnership

BY
Metro West Collaborative Development, Inc.
April 4, 2013

Engine 6

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METRO WEST
COLLABORATIVE DEVELOPMENT

April 4, 2013

Robert Muollo, Jr.
Housing Planner
Planning and Development Department
City of Newton
1000 Commonwealth Ave.
Newton, MA 02459

Dear Mr. Muollo:

On behalf of Metro West Collaborative Development, I am pleased to present the enclosed proposal for our Engine 6 project at 2042-2044 Beacon Street. We are excited about this opportunity to redevelop the historic fire station and create ten homes, nine of which will serve chronically homeless individuals.

We are proposing to use just over $1.4 million of HOME and CDBG funds to leverage approximately $1.6 million of Commonwealth housing funds and historic tax credit equity. As previously discussed, we would also, in the coming months, like to begin a process with the Community Preservation Committee, to be ready to apply for CPA funds if we are unable to get all of the historic tax credit equity we are currently projecting.

Thank you for your assistance in preparing this application. We look forward to working with you and the Housing Partnership to create a housing resource that will not only serve some of our most vulnerable community members, but will also preserve and enhance a historic building.

Sincerely,

Steve Laferriere, Senior Housing Project Manager

Financing Narrative

Metro West Collaborative Development is projecting the following sources of funds for our proposed development at 2042-2044 Beacon Street:

City of Newton Community Development Block Grant (CDBG):	$1,000,000
City of Newton HOME:	$404,830
State Historic Tax Credit Equity:	$312,805
State HOME:	$500,000
State Housing Innovation Fund (HIF):	$500,000
Federal Home Loan Bank Affordable Housing Program (AHP):	$300,000
Project-Based Section 8 Vouchers	8
Total Sources	$3,017,635

Below is a brief description of the Commitment status of each source of funds:

Newton CDBG and HOME: Applied for herein

State Historic Tax Credit Equity: An application to the Massachusetts Historical Commission will be made by the August 31 deadline. Decisions are expected in November.

State HOME and HIF: HOME and HIF funding is allocated by the Department of Housing and Community Development (DHCD) through their One-Stop funding rounds. The next round is anticipated to begin with pre-applications due in May. Metro West Collaborative Development plans to submit a pre-application although we are unlikely to get funded without having achieved the zoning relief we are seeking. The next One-Stop round is anticipated to be in February of 2014, although we may be able to apply sooner as projects serving homeless populations, such as Engine 6, are invited to submit a proposal outside of the normal funding rounds.

Federal Home Loan Bank AHP: Applications are due September 13. Awards are expected to be announced in December.

Project-Based Section 8 Vouchers: These Vouchers are administered by DHCD and can be applied for with other state resources during the One-Stop funding rounds.

Metro West Collaborative Development

Real Estate Development Experience

St. Joseph Hall – 2013

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 and the property had a Section 8 contract that was nearing its expiration. Metro West CD purchased the property and is assembling financing to complete a $5.5 million project that will keep the 25 apartments in good condition, and preserve them as affordable housing for the foreseeable future. This property is managed by MB Management.

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: Tax Credit Exhange, 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 MB Management.

Marshall Place – 2006

A former nursing home, Marshall Place was co-developed by Metro West CD and CasCap, who currently owns the property. It contains 10 apartments for the elderly. The total development cost was $2.4 million.

Quimby Street Condos – 2003

Metro West CD's first real estate development project was the renovation of two 2-family homes to create a four-unit condominium project. The total development cost was $1.2 million.

Other Housing Services

In addition to real estate development Metro West CD respond to over 1,000 calls each year from individuals and families with housing questions or crises. Metro West CD also works with private developers and municipalities throughout Eastern Massachusetts in meeting and complying with local and state affordable housing regulations.

Current Staff Qualifications

Metro West CD is led by Executive Director Jennifer Van Campen. Jennifer has 20 years of experience in community development. She has been at Metro West CD for 5 years. The organization's real estate development efforts are led by Senior Housing Project Manager Steve Laferriere who has 7 years of experience and has been with the organization for the past 3 years.

The Organization

Metro West CD is a private non-profit community development corporation that was founded in 1991. Its primary service area is the 16 towns that comprise the Metro West HOME Consortium and has an office located in Watertown. For more information visit: www.metrowestcd.org.

Mission Statement

Adopted July 2012

Mission Statement:
The mission of Metro West Collaborative Development is to organize residents, mobilize resources, and identify ideas that improve the quality of life for resident of Metro West communities. We accomplish this by:

1) Creating and preserving affordable homes
2) Supporting economic development that strengthens neighborhoods, towns and our region
3) Building alliances with partners and constituencies throughout the region in order to increase awareness and build support for community development

The 16-town Metro West CD target area

Community Need Narrative

Engine 6 meets many of the City of Newton's housing needs as identified in the Comprehensive Plan and FY11-15 Consolidated Plan.

Comprehensive Plan

This project provides:

- 10 units towards the 40B 10% goal of approximately 800 subsidized units
- An adaptive reuse of an existing structure for compact redevelopment
- Opportunities to special populations including families housed in emergency and transitional shelters
- Residential development that is well located in relationship to transportation (Woodland T-stop) and large employers (Newton Wellseley Hospital)
- Preservation of buildings that maintain the scale, character and distinctiveness of individual neighborhoods

FY11-15 Consolidated Plan

This project provides:

- Housing choices for very-low income renters
- Case management services for tenants
- Expands the socio-economic diversity of Newton

Community Outreach Plan

Metro West CD is deeply committed to engaging neighbors and other community members in the planning process for each of our affordable housing development. In fact, our mission "is to organize residents, resources and good ideas to resolve community problems and improve the quality of life for all members of our Metro West neighborhoods."

Our first official step in community outreach is to meet with the Housing Partnership's Project Review Subcommittee. We are excited to present our plans to the Partnership and receive their feedback and suggestions. We then plan to reach out to the ward aldermen before reaching to the abutters and neighbors.

We anticipate achieving the necessary zoning relief for the project through a "friendly 40B" process, otherwise known as a Local Initiative Petition (LIP). The LIP requires getting local support from the City, through its Housing Partnership, and its Chief Elected Official (Mayor), before the project can even be eligible to apply for a permit, as both parties need to write letters of support and sign the application to the Commonwealth that makes the site eligible for a Chapter 40B: Comprehensive Permit. Once the LIP initial site eligibility application is filed, the Commonwealth and City each have 30 days to review it, before the site can be deemed eligible. During this two month period, we plan to work with the abutters to create the best possible project, in advance of our zoning application to the City.

Zoning Relief

The land for Engine 6 was acquired by the City of Newton in 1916 by eminent domain and the City constructed the existing structure in 1917. The Waban Fire Station, also known as Engine 6, was designed by Waban architect Lewis Bacon. It become obsolete in the 1960s when the larger station at the corner of Washington Street and Commonwealth Avenue was constructed. In 1967 the Nobumbega Council of the Boy Scouts of America petitioned and received a variance allowing office use for a non-profit organization in a single residence zone. The property was then purchase by the Hospice of the Good Shepherd in 1997.

A Phase 1 21E: Site Assessment is currently in progress. There are currently no known environmental hazards associated with the property. The property is not on current or previous wetlands or within a wetlands zone.

Engine 6 is located within the Single Residence 2 (SR-2) zone. Therefore its current use, non-profit office space, and its proposed use are both non-conforming. The SR-2 has a minimum lot requirement of 18,000 SF, and this lot is only 8,595 SF, so the structure itself is non-conforming. The existing structure is in violation of the front setback requirement of 30 feet, the side setback requirement of 23 feet and the rear setback requirement setback of 23 feet. The existing structure is also in violation of the FAR requirement of .12, the maximum building lot coverage requirement of 17% and the minimum open space requirement of 65%.

We do not intend to increase the footprint of the existing building, so there will be no need to extend any non-conforming uses. The Zoning Code requires one parking spaces for every two low-income apartments. There are nine existing parking spaces, or up to 13 with tandem parking, and our proposal would only require five spaces, so there would be plenty of room to a van parking space.

Design and Construction Narrative

Engine 6 will consist of 10 studio apartments, each with a private bath and food preparation area. Some apartments may be larger or have additional windows due to the configuration of the existing structure. Three apartments will be fully handicapped accessible, which will require modifications to the bathroom and food preparation areas, including different showers, appliances and more space within which one could rotate a wheelchair. No apartment will have additional amenities such as upgraded finishes or appliances.

Two of our major areas of emphasis for the physical redevelopment of the property are environmentally friendly design and enhanced accessibility. Although we are still early in the schematic design phase of this project, here are our intentions at this point:

Energy Efficient Envelope Design

As we are assuming a gut rehabilitation, there will be an opportunity to increase insulation in both the walls and the roof. We also are intending to replace windows to improve their energy efficiency and installing spray foam to insulate around areas receiving new windows or doors. Finally we will be adding a programmed continuous ventilation system in each bathroom that will maintain a healthy air quality.

Efficient Building Systems

We will be installing boilers with an efficiency of 85% of more, thermostats with an upper limit of 75 degrees Fahrenheit, an indirectly fired domestic hot water system, and automatic lighting controlled by occupancy. Electricity is individually metered. We are also incorporating water conservation measures, such as low flow toilets and other fixtures.

Healthy Indoor Air Quality

Kitchen exhaust fans are ducted to the outside; bathrooms exhaust fans provide continuous ventilation; only low-VOC or no-VOC paints, coatings and adhesives will be employed and the building will be ventilated during initial curing period; interior products made from formaldehyde and urea-formaldehyde binders will be avoided; and separate air exhaust systems will be employed for any building areas where janitorial or maintenance chemicals are to be stored. Some carpeting will be replaced, in other cases we will remove the carpeting and re-finish the underlying hardwood floors. All carpeting in place in apartments and common areas at completion of construction will use only low-VOC adhesives and tackless strips will not be employed.

Enhanced Accessibility

We intend to create three fully handicapped accessible (Group 2) apartments on the ground floor. As there is no elevator on the property, and installing an elevator is cost prohibitive, this is the maximum number of accessible units possible. One unit (10%) will have devices for vision- and hearing-impaired residents.

CITY of NEWTON HOUSING PROJECT
REQUEST for CPA, HOME and CDBG FUNDS

[ ] Pre-proposal [X] Proposal

PRIMARY APPLICANT

Contact *(Name, mail & email address, daytime phone & fax):*

Metro West Collaborative Development, Inc., c/o Steve Laferriere, 63 Mt. Auburn St., Watertown, MA 02472, steve@metrowestcd.org, 617-923-3505 x. 6

Organization, if applicable: Metro West Collaborative Development, Inc.

PROJECT MANAGER *responsible for budgets, deadlines, & reports*

Contact *(Name, mail & email address, daytime phone & fax):*

Steve Laferriere, 63 Mt. Auburn St., Watertown, MA 02472, steve@metrowestcd.org, 617-923-3505 x. 6

Organization, if applicable: Metro West Collaborative Development, Inc.

Role (Co-applicant, owner, developer, other): Developer

PROJECT TITLE	**Engine 6**	
PROJECT ADDRESS	2042-2044 Beacon Street	
BUDGET SUMMARY	Total project cost: $3,017,635	Total City funds requested: $1,404,830
PROJECT SUMMARY	**Summarize proposed project:** Identify rental or homeownership; no. of affordable/market-rate units & no. of bedrooms per unit; income level(s); special populations served, if applicable; accessibility barriers, if any; special features (support services, sustainability or energy conservation, historic preservation, etc.).	

The Engine 6 project is an adaptive reuse of a historic former fire station as affordable housing for chronically homeless individuals. The existing building consists of two stories above ground and full basement and has most recently been used as administrative office space for a non-profit hospice provider. We will create ten studio apartments, nine of which will serve extremely low-income chronically homeless individuals and three of which will be fully accessible. The tenth apartment will be occupied by a house manager who will be available overnight. This house manager will also be a community liaison who will strive to participate in neighborhood events and be known to the neighbors. Although this will require a substantial renovation of the interior space (which has already been altered from its historic use as fire station in order to create office space), we are committed to preserving the exterior of the structure. The property is listed in the Massachusetts Historic Commission Inventory and we are anticipating applying for state historic tax credits.

The basement will be used for support services and programs as well as residential program space. Support services will be provided through Pine Street Inn who will also provide property management services. Pine Street Inn will coordinate on-site services including case management, access to mental health services and recovery groups, social activities and crisis intervention.

All of our developments seek to be as environmentally sensitive as possible. We do this primarily by: prioritizing an energy efficient building envelope and efficient building systems; creating a healthy indoor air quality by focusing on well-ventilated spaces, good indoor lighting and using low VOC paints, sealants and caulking; and by selecting reused or locally sourced or manufactured materials when possible.

1. SOURCES OF FUNDS *Check all that apply and identify if funds are committed or proposed.*	
☐ CDBG	$1,000,000 Proposed
☐ HOME	$404,830
☐ Community Preservation Fund	$
☐ Private bank loan	$
☐ Sales revenue	$
☐ Other (identify source) FHLB Affordable Housing Program	$300,000
☐ Other (identify source) State Historic Tax Credit Equity	$312,194
☐ Other (identify source) State Housing Innovation Fund	$500,000
☐ Other (identify source) State HOME funds	$500,000

2. USES OF FUNDS *Check all that apply.*			
☑ Acquisition	☑ Rehabilitation	☐ New construction	☐ Mortgage buydown
Categories below apply only to CPA funds -- please consult staff. ☑ Creation ☐ Preservation ☐ Support			☐ Site preparation/ remediation

3. TARGETED POPULATION *Check all that apply.*		
☑ Individual/Family	☐ Elderly	☑ Homeless/At Risk of Homelessness
☑ Housing with support services (identify service providers): Pine Street Inn		
☐ Special needs (identify population):		
☐ Other (identify population):		

4. TYPE OF HOUSING *Check all that apply.*	
Homeownership	**Rental**
☐ Single family	☑ Individual/family
☐ Condominium(s)	☐ Group residence, congregate
☐ Cooperative (s)	☐ Other (identify)

5. UNIT COMPOSITION *List number of units in each category.*

	Total	≤ 30% AMI	≤ 50% AMI	≤ 80% AMI	Between 80-100% AMI	Market rate
SRO	10	9		1		
1 BR						
2 BR						
3 BR						
4 BR/+						

CITY of NEWTON HOUSING PROJECT
REQUEST for CPA, HOME and CDBG FUNDS

ATTACHMENTS CHECKLIST

For pre-proposals, please submit only these attachments:	**For full proposals,** please submit all applicable attachments below,
☐ Development pro forma ☐ Site plans	starting with a 1-page **table of contents** listing all attachments provided.

1. FINANCIAL

☑ Development pro forma

☑ Identify all proposed housing-related expenses such as utilities (rental projects only if the tenant pays the utilities), condominium, parking or other fees.

☑ 10-year operating budget. Assumptions for both rental and homeownership projects should be conservative, with revenue from rents or fees increasing no more than 2-3% per year; expenses increasing at least 5% per year.

☑ Include letters of financial commitment. If applicant does not have financing in place, describe what sources of financing are planned and the timeframe that funds are expected to be available, conditions, deadlines, limitations, etc. related to the commitment of non-City sources of funding.

☑ For rental projects only: Identify source of rental housing subsidy, if applicable. Submit commitment letters or an explanation of when the applicant will seek rental housing subsidies and from what source(s).

N/A ☐ For homeownership projects only: The City requires perpetual deed restrictions on all affordable units. In mixed-income homeownership projects, identify what percentage interest will be held by the restricted units.

2. QUALIFICATIONS

☑ Describe the applicant's capacity for undertaking the project. Include previous experience developing similar, successfully completed projects.

☑ Provide photographs of similar projects if they are illustrative in some manner of the proposed project.

☑ For nonprofit organizations only: Submit organization mission statement and most recent annual budget and audited financial statements.

3. COMMUNITY NEED

☑ Describe how the proposed project meets the housing needs identified in Newton's

- *Comprehensive Plan* http://www.newtonma.gov/civicax/filebank/documents/30752
- *FY11-15 Consolidated Plan* http://www.newtonma.gov/civicax/filebank/documents/32475
- if applicable, current *Community Preservation Priorities & Funding Guidelines;* see links from http://www.newtonma.gov/gov/planning/cpa/program.asp

4. COMMUNITY OUTREACH & SUPPORT

The City encourages applicants for both federal and CPA funds to provide information on the proposed housing project to the ward aldermen and the abutters/neighborhood.

☑ Describe any efforts undertaken to communicate with the ward aldermen and abutters and/or neighborhood.

☐ Provide any letters of support, petitions, results of neighborhood meeting(s), etc.

None available yet

5. EVIDENCE OF SITE CONTROL

☑ Provide purchase and sales agreement, option, or deed

☐ Provide appraisal by an independent, certified real estate appraiser.

Not yet available

NOTE for acquisition proposals: Special constraints apply to the use of CPA funds for real property acquisition. Please consult staff.

6. SITE PLANS & ZONING / PERMITTING

The full proposal should include a map(s) showing project's location and proximity to nearest major roads or intersections, public transportation, schools, parks, other public facilities and amenities, and surrounding land uses

☑ Provide photos of the project site and its surroundings (to assess impact on neighborhood character).

☑ Provide brief property history/environmental assessment, including:

- Prior owner and use/occupancy
- Applicable wetlands or other environmental requirements, including evidence that property is free of hazardous materials. If the proposed project will include remediation, describe the plan and funding to address the known hazard(s).

NOTE: Research on some aspects of property history, including past presence of wetlands, can be done easily using Newton's online historic maps: http://www.newtonma.gov/gov/it/gis/historic_maps.asp

☑ Identify zoning/permitting relief required (for ex., a Special or Comprehensive Permit) and proposed schedule for zoning/permitting review.

N/A ☐ For new construction: Provide preliminary site plans illustrating existing conditions and proposed development.

7. DESIGN & CONSTRUCTION

If applicable and available at the time the application is submitted,

☐ Provide preliminary schematics and floor plans.
Not yet Available

☑ Identify amenities.

☑ Identify the proposed sustainable or "green" elements of the project. Estimate their general net benefits and costs over their useful life or the life of the project as a whole (for energy, operation, disposal, replacement, etc.).

NOTE: The City bodies that review funding applications, including the Newton Housing Partnership and (for CPA funds only) the Community Preservation Committee and Board of Aldermen, will ask for as much detail about these aspects of the project as possible; details may be revised or added as the application moves through the review process.

8. FAIR HOUSING & EQUAL OPPORTUNITY

N/A ☐ Provide proposed relocation plan and budget if existing tenants must be temporarily relocated during construction, deleading, etc. Describe any outreach efforts and/or notifications to residents to date.

NOTE: It is the City's policy to avoid permanently displacing residents.

☑ Affirmative Fair Housing Marketing and Resident Selection Plan

Applicants will be required to submit an Affirmative Fair Housing Marketing and Resident Selection Plan as part of the application review and approval process. These documents are not required to be submitted as part of the application attachments if they are not available when the application is submitted. Components of the plan include:

- Part I: Affirmative Fair Housing Marketing

  Summarize the affirmative marketing procedures for the project. At a minimum, the plan must meet the outreach and marketing standards required by the MA Department of Housing and Community Development and described in "Guidelines for G.L. c.40B Comprehensive Permit Projects and the Subsidized Housing Inventory," found here:

  http://www.mass.gov/hed/docs/dhcd/legal/afhmp.doc.

- Part II: Resident Selection

  Summarize how the unit(s) will be distributed upon project completion (i.e., what will be the mechanism used to fill the unit(s)? Generally, this is accomplished through a lottery or other equitable procedure).

NOTE: The City of Newton has a local resident preference policy. If a lottery is used for unit distribution, the Affirmative Fair Housing Marketing and Resident Selection Plan must follow the local preference and referent procedures described in the "Guidelines for Uniform Local Resident Selection Preferences in Affordable Housing:"

http://www.newtonma.gov/civicax/filebank/documents/43954

☐ Submit Reasonable Accommodation/Reasonable Modification Plan

Not yet available

- ☐ Describe any fair housing training the developer, sponsor, and/or property manager have completed.
  Not yet available
- ☐ Describe any fair housing complaints issued against the developer, sponsor and/or property manager in the past and what actions were taken to resolve the complaint(s)
  Not yet available

9. ARCHITECTURAL ACCESSIBILITY

The City encourages applicants to exceed the minimum state and federal requirements for architectural access for persons with disabilities to the extent feasible. For detailed guidelines, see: http://www.newtonma.gov/civicax/filebank/documents/38435.

As part of the application review process, the City must be able to answer the following questions and complete the architectural access code compliance chart. Applicants are encouraged to complete this section but at a minimum must provide sufficient information for City staff to complete this section, as applicable and as information becomes available.

Architectural access code applicability:

Q: Are Section 504, Title II of the ADA, or the MABA applicable to the project based on the sources of funding?

Q. If it is an existing project, has it been required to prepare a Section 504 Compliance Plan? If so, describe the progress made and any deficiencies outstanding.

Q. If the project is existing, show calculations indicating the cost of the work relative to the value of the building per MAAB's CMR 521 3.3, and relative to the replacement cost of the facility per Section 504 8.23(a), if Section 504 is applicable to the project.

Q. Describe any variances from MAAB's requirements that are anticipated for permitting, and the status of the variance process.

Architectural access code compliance:

Provide summary information regarding accessibility requirements in the table below. Include the most stringent applicable requirements of MAAB, the FHA, Section 504, the ADA, and any other local requirements. (Group 1 and Group 2 units referred to below are per MAAB).

1. Site access – accessible route

Requirement :	Proposed:

2. Accessible parking

Requirement:	Proposed (identify total # of spaces provided):

3. Building entrances and accessible routes within buildings

Requirement:	Proposed:

4. Common areas & facilities (offices, laundry rooms, community rooms, etc.)

Requirement:	Proposed:

5. Group 1 Units (MAAB)

Requirement : (include units covered by the FHA)	Proposed:

6. Group 2 Units (MAAB)

Requirement :	Proposed:

NOTE: Available resources for architectural access technical assistance:

Fair Housing Accessibility First:
FIRST Design and Construction Resource Center
(888) 341 – 7781 (Voice/TTY)
www.FairHousingFIRST.org

New England ADA Center:
1-800-949-4232 (voice/tty)
http://newenglandada.org

Massachusetts Architectural Access Board:
617-727-0660
www.mass.gov

Updated:
May 1, 2013

Operating Budget May 2, 2013

Engine 6 Tenants Pay Electricity, including electric cooking fuel. Property pays for heat and hot water.

Income				**Year 1**	**Change**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Year 6**	**Year 7**	**Year 8**
	# 0f Units	Rent		Total Rent								
Section 8	8	$989		$7,912	2%	$8,070	$8,232	$8,396	$8,564	$8,735	$8,910	$9,088
Homeless	1	$100		$100	2%	$102	$104	$106	$108	$110	$113	$115
House Mgr	1	$270		$270	2%	$275	$281	$287	$292	$298	$304	$310
Total				$8,282		$8,448	$8,617	$8,789	$8,965	$9,144	$9,327	$9,513
		Annual		$99,384		$101,372	$103,399	$105,467	$107,576	$109,728	$111,923	$114,161
	Vacancy		5%	$4,969		$5,069	$5,170	$5,273	$5,379	$5,486	$5,596	$5,708
	Gross Rental Income			$94,415		$96,303	$98,229	$100,194	$102,198	$104,242	$106,326	$108,453
	Laundry Income?											
	Continuum of Care Inc.			$117,535		$117,535	$117,535	$117,535	$117,535	$117,535	$117,535	$117,535
	Total Income			$211,950		$213,838	$215,764	$217,728	$219,732	$221,776	$223,861	$225,988
Expenses												
Management Fee			6%	$5,665	N/A	$5,778	$5,894	$6,012	$6,132	$6,254	$6,380	$6,507
Management Sal				$13,410	1%	$13,544	$13,680	$13,816	$13,954	$14,094	$14,235	$14,377
Management Ben				$0		$0	$0	$0	$0	$0	$0	$0
Legal				$1,500	5%	$1,575	$1,654	$1,736	$1,823	$1,914	$2,010	$2,111
Audit				$5,000	5%	$5,250	$5,513	$5,788	$6,078	$6,381	$6,700	$7,036
Marketing				$1,000	5%	$1,050	$1,103	$1,158	$1,216	$1,276	$1,340	$1,407
Telephone, office supplies, etc.				$3,500	5%	$3,675	$3,859	$4,052	$4,254	$4,467	$4,690	$4,925
DHCD Monitoring fee				$0		$0	$0	$0	$0	$0	$0	$0
Admin Total				$24,410		$25,094	$25,807	$26,550	$27,325	$28,133	$28,976	$29,855
Maintenance Sal				$9,207	1%	$9,299	$9,392	$9,486	$9,581	$9,677	$9,773	$9,871
Maintenance Ben			25.50%	$2,348	1%	$2,371	$2,395	$2,419	$2,443	$2,468	$2,492	$2,517
Landscaping				$1,000	5%	$1,050	$1,103	$1,158	$1,216	$1,276	$1,340	$1,407
Repairs				$10,000	5%	$10,500	$11,025	$11,576	$12,155	$12,763	$13,401	$14,071
Snow Removal				$5,000	5%	$5,250	$5,513	$5,788	$6,078	$6,381	$6,700	$7,036
Trash Removal				$0		$0	$0	$0	$0	$0	$0	$0
Elevator				$0		$0	$0	$0	$0	$0	$0	$0
Exterminating				$600	5%	$630	$662	$695	$729	$766	$804	$844
Fire Alarm & sprinkler				$4,500	5%	$4,725	$4,961	$5,209	$5,470	$5,743	$6,030	$6,332
Mantenance Total				$32,655		$33,825	$35,050	$36,331	$37,671	$39,074	$40,542	$42,078
Electricity				$1,920	5%	$2,016	$2,117	$2,223	$2,334	$2,450	$2,573	$2,702
Gas				$8,600	5%	$9,030	$9,482	$9,956	$10,453	$10,976	$11,525	$12,101
Water and Sewer				$4,250	5%	$4,463	$4,686	$4,920	$5,166	$5,424	$5,695	$5,980
Utilities Total				$14,770		$15,509	$16,284	$17,098	$17,953	$18,851	$19,793	$20,783
Taxes				$11,885	2.50%	$12,182	$12,487	$12,799	$13,119	$13,447	$13,783	$14,128
Insurance				$7,500	5%	$7,875	$8,269	$8,682	$9,116	$9,572	$10,051	$10,553
T&I Total				$19,385		$20,057	$20,756	$21,481	$22,235	$23,019	$23,834	$24,681
Replacement Reserve				$5,000	3%	$5,150	$5,305	$5,464	$5,628	$5,796	$5,970	$6,149
Asset Management				$5,000	3%	$5,150	$5,305	$5,464	$5,628	$5,796	$5,970	$6,149
Case Management				$19,968	1%	$20,168	$20,369	$20,573	$20,779	$20,987	$21,196	$21,408
Full-time counselor				$24,960	1%	$25,210	$25,462	$25,716	$25,973	$26,233	$26,496	$26,760
Part-time counselor*				$19,968	1%	$20,168	$20,369	$12,858	$12,987	$13,117	$5,299	$5,352
House Manager				$2,288	1%	$2,311	$2,334	$2,357	$2,381	$2,405	$2,429	$2,453
Direct Care Relief				$3,744	1%	$3,781	$3,819	$3,857	$3,896	$3,935	$3,974	$4,014
Benefits	25.50%		9.65%	$13,966	1%	$14,105	$14,246	$14,389	$14,533	$14,678	$14,825	$14,973
Service Related Expenses				$4,300	1%	$4,343	$4,386	$4,430	$4,475	$4,519	$4,565	$4,610
Service Total				$89,194		$90,086	$90,986	$84,181	$85,023	$85,873	$78,784	$79,571
Total Expenses				$196,079		$200,649	$205,386	$202,581	$207,595	$212,797	$210,249	$215,775
Gap/Surplus				$15,871		$13,189	$10,378	$15,148	$12,138	$8,979	$13,613	$10,213

*Part-time counselor is 32 hours/week years 1-3, 20 hours/week years 4-6, and 8 hours per week years 7-10.

Year 9	Year 10
$9,270	$9,456
$117	$120
$316	$323
$9,704	$9,898
$116,444	$118,773
$5,822	$5,939
$110,622	$112,834
$117,535	$117,535
$228,157	$230,369
$6,637	$6,770
$14,521	$14,666
$0	$0
$2,216	$2,327
$7,387	$7,757
$1,477	$1,551
$5,171	$5,430
$0	$0
$30,773	$31,731
$9,970	$10,070
$2,542	$2,568
$1,477	$1,551
$14,775	$15,513
$7,387	$7,757
$0	$0
$0	$0
$886	$931
$6,649	$6,981
$43,686	$45,370
$2,837	$2,979
$12,706	$13,341
$6,279	$6,593
$21,822	$22,913
$14,481	$14,843
$11,081	$11,635
$25,562	$26,478
$6,334	$6,524
$6,334	$6,524
$21,622	$21,839
$27,028	$27,298
$5,406	$5,460
$2,478	$2,502
$4,054	$4,095
$15,123	$15,274
$4,656	$4,703
$80,367	$81,171
$221,516	$227,481
$6,641	$2,888

Feasibility Analysis Worksheet

Updated:
April 21, 2013

Engine 6

Number of Units			10	
			Total	Per Unit
Uses of Funds				
Hard Costs				
Acquisition			900,000	90,000
Carrying Costs			109,656	10,966
Direct Construction Budget	$220	$/SF	1,133,000	113,300
Other Construction Costs				
Construction Contingenc	10.0%		113,300	11,330
Construction Total			1,246,300	124,630
Total Acquisition + Construction			2,255,956	225,596
Soft Costs				
A&E			$135,960	$13,596
Survey & Permits			$23,074	$2,307
Clerk of the Works/Owner's Rep			$20,000	$2,000
Environmental Engineer			$5,000	$500
Bond Premium			$22,660	$2,266
Legal			$50,000	$5,000
Title & Recording			$5,000	$500
Accounting			$1,000	$100
Insurance			$7,500	$750
Utilities			$3,333	$333
Marketing & Rent Up			$20,000	$2,000
RE Taxes			$11,885	$1,189
Appraisal			$10,000	$1,000
Construction Loan Interest			$35,331	$3,533
Inspecing Engineer			$11,000	$1,100
Fees to Construction Loan	1.0%		$2,708	$271
Fees to Permanent Loan			$0	$0
Development Consultant			$40,000	$4,000
Soft Cost Contingency			$20,223	$2,022
Soft Cost Total			$424,674	$42,467
Total Acq. + Const. + Soft Costs			2,680,630	268,063
Developer Overhead			127,823	12,782
Developer Fee			127,823	12,782
Capitalized Reserves (Operating and Replacement)			85,000	8,500
Total Development Cost			3,021,276	302,128
			check	*ok*

Sources of Funds

		Total	Per Unit
Permanent Sources of Funds			
Permanent First Mortgage Debt			0
Subordinate Debt			
City of Newton CDBG		1,000,000	100,000
City of Newton CPA			0
City of Newton HOME		407,855	40,786
State HOME		500,000	50,000
State HIF		500,000	50,000
State AHT		0	0
		0	0
Federal Syndication Proceeds	$0.85	$0	0
State Syndication Proceeds	$0.85	$313,421	31,342
Other Sources			
Federal Home Loan Bank		300,000	30,000
		0	0
		0	0
Total Permanent Sources		3,021,276	302,128
Total Development Cost, from above		3,021,276	302,128
Permanent Surplus/(Gap)		0	0

St. Joseph Hall Redevelopment

By Metro West Collaborative Development, Inc.
2013

St. Joseph Hall, located in Watertown, MA, was built in approximately 1935 by the Dominican Sisters of Peace and was the location of Rosary Academy High School until it closed in 1981. In 1988 the building was renovated to create twenty-five apartments for seniors and the Rosary Academy Learning Center, a private pre-school for approximately 40 children. The Sisters also built 59 townhome condominiums around St. Joseph Hall so as to create a multi-generational community.

Metro West CD, a private non-profit community development corporation, recently purchased St. Joseph Hall with the goal of preserving the affordable housing provisions, which were set to expire in 2013 while also providing much needed capital improvements to the historic building.

The $5.3 million project includes:

- Restoration of the masonry, parapet and foundation, which is currently leaking
- Replacement of windows with ones more energy efficient and historically accurate
- Installation of new kitchens and bathrooms
- Enhancing accessibility throughout the building
- Upgrades to the electrical, elevator and fire safety systems

The development team for St. Joseph Hall includes Henry Joseph & Associates as development consultant, Elton + Hampton Architects as project architect and Knollmeyer Building Corp. as general contractor. Financial support for this project comes from the Town of Watertown, the West Metro HOME Consortium, the Massachusetts Department of Housing and Community Development, MassHousing, MassDevelopment, the Federal Home Loan Bank of Boston, Watertown Savings Bank and the Dominican Sisters of Peace.

Metro West CD is honored to be part of an over 100 year tradition of service to the community that was begun on this site by the Dominican Sisters of Peace. Metro West CD owns 44 units of affordable housing and also provides many housing and community development services. Please visit our website for more information: www.metrowestcd.org.

WATERTOWN COMMUNITY DEVELOPMENT, INC.
(FORMERLY WATERTOWN COMMUNITY HOUSING, INC.)
AND 1060 BELMONT, INC.

COMBINING FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT

WATERTOWN COMMUNITY DEVELOPMENT, INC.
(FORMERLY WATERTOWN COMMUNITY HOUSING, INC.)
AND 1060 BELMONT, INC.

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DECEMBER 31, 2011 AND 2010

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Alexander Aronson Finning
CERTIFIED PUBLIC ACCOUNTANTS
& BUSINESS ADVISORS

Where Every Client Is A Valued Client

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INDEPENDENT AUDITOR'S REPORT

To the Boards of Directors of
Watertown Community Development, Inc. and
1060 Belmont, Inc.:

We have audited the accompanying combining statements of financial position of Watertown Community Development, Inc. (formerly Watertown Community Housing, Inc.) and 1060 Belmont, Inc. (Massachusetts corporations, not for profit) (collectively, the Organization) as of December 31, 2011 and 2010, and the related statements of activities and changes in net assets, cash flows and functional expenses for the years then ended. These combining financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these combining financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combining financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the combining financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall combining financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the combining financial statements referred to above present fairly, in all material respects, the combining financial position of Watertown Community Development, Inc. and 1060 Belmont, Inc. as of December 31, 2011 and 2010, and the changes in their net assets and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Alexander, Aronson, Finning & Co., P.C.

Wellesley, Massachusetts
April 26, 2012

WATERTOWN COMMUNITY DEVELOPMENT, INC. (FORMERLY, WATERTOWN COMMUNITY HOUSING, INC.) AND 1060 BELMONT, INC.

COMBINING STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2011 AND 2010

	2011				2010			
ASSETS	WATERTOWN COMMUNITY DEVELOPMENT	1060 BELMONT	ELIMI-NATIONS	TOTAL	WATERTOWN COMMUNITY DEVELOPMENT	1060 BELMONT	ELIMI-NATIONS	TOTAL
CURRENT ASSETS:								
Cash	$ 166,684	$ 36,688	$ -	$ 203,372	$ 104,587	$ 16,187	$ -	$ 120,774
Accounts receivable	29,526	3,685	-	33,211	20,858	15,541	-	36,399
Due from related party	-	47,069	(47,069)	-	280,593	62,231	(342,824)	-
Tenant security deposits	-	8,105	-	8,105	-	6,300	-	6,300
Prepaid expenses	10,580	9,660	-	20,240	-	-	-	-
Total current assets	206,790	105,207	(47,069)	264,928	406,038	100,259	(342,824)	163,473
PROPERTY AND EQUIPMENT:								
Land	-	420,000	-	420,000	-	420,000	-	420,000
Building	-	1,704,323	-	1,704,323	-	1,704,323	-	1,704,323
Building improvements	-	2,888,142	(216,717)	2,671,425	-	2,971,601	(223,228)	2,748,373
Construction in progress	103,763	-	-	103,763	-	-	-	-
Furniture, fixtures and equipment	8,911	111,086	-	119,997	8,911	102,242	-	111,153
	112,674	5,123,551	(216,717)	5,019,508	8,911	5,198,166	(223,228)	4,983,849
Less - accumulated depreciation	8,911	222,277	-	231,188	8,406	89,741	-	98,147
Net property and equipment	103,763	4,901,274	(216,717)	4,788,320	505	5,108,425	(223,228)	4,885,702
PROPERTY HELD FOR SALE	172,848	-	-	172,848	172,848	-	-	172,848
CAPITALIZED COSTS, net	-	96,517	-	96,517	-	49,444	-	49,444
RESERVES	-	218,212	-	218,212	-	-	-	-
Total assets	$ 483,401	$ 5,321,210	$ (263,786)	$ 5,540,825	$ 579,391	$ 5,258,128	$ (566,052)	$ 5,271,467
LIABILITIES AND NET ASSETS								
CURRENT LIABILITIES:								
Current portion of mortgage notes payable	$ 1,725	$ 16,848	$ -	$ 18,573	$ 1,637	$ 12,086	$ -	$ 13,723
Accounts payable	52,528	11,671	-	64,199	3,075	14,624	-	17,699
Due to related party	47,069	-	(47,069)	-	62,231	280,593	(342,824)	-
Accrued expenses	5,460	-	-	5,460	8,182	-	-	8,182
Prepaid rent	-	-	-	-	-	4,755	-	4,755
Tenant security deposits	-	8,105	-	8,105	-	6,300	-	6,300
Total current liabilities	106,782	36,624	(47,069)	96,337	75,125	318,358	(342,824)	50,659
CONSTRUCTION PAYABLES	-	-	-	-	-	298,369	-	298,369
REFUNDABLE GRANT	59,300	-	-	59,300	59,300	-	-	59,300
CONTINGENT DEBT	-	4,027,602	-	4,027,602	-	4,073,123	-	4,073,123
MORTGAGE NOTES PAYABLE, net of current portion	160,004	1,071,056	-	1,231,060	106,997	756,121	-	863,118
Total liabilities	326,086	5,135,282	(47,069)	5,414,299	241,422	5,445,971	(342,824)	5,344,569
NET ASSETS:								
Unrestricted:								
Operating	135,858	85,431	(216,717)	4,572	298,302	17,215	(223,228)	92,289
Development	21,457	-	-	21,457	4,914	-	-	4,914
Property and equipment	-	100,497	-	100,497	505	(205,058)	-	(204,553)
Total unrestricted	157,315	185,928	(216,717)	126,526	303,721	(187,843)	(223,228)	(107,350)
Temporarily restricted	-	-	-	-	34,248	-	-	34,248
Total net assets	157,315	185,928	(216,717)	126,526	337,969	(187,843)	(223,228)	(73,102)
Total liabilities and net assets	$ 483,401	$ 5,321,210	$ (263,786)	$ 5,540,825	$ 579,391	$ 5,258,128	$ (566,052)	$ 5,271,467

The accompanying notes are an integral part of these combining statements.

WATERTOWN COMMUNITY DEVELOPMENT, INC. (FORMERLY, WATERTOWN COMMUNITY HOUSING, INC.) AND 1060 BELMONT, INC.

COMBINING STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011						2010					
	WATERTOWN COMMUNITY DEVELOPMENT						WATERTOWN COMMUNITY DEVELOPMENT					
	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL	1060 BELMONT	ELIMI-NATIONS	TOTAL	UNRESTICTED	TEMPORARILY RESTRICTED	TOTAL	1060 BELMONT	ELIMI-NATIONS	TOTAL
OPERATING REVENUE AND SUPPORT:												
Gross potential rental income	$ 16,695	$ -	$ 16,695	$ 243,911	$ -	$ 260,606	$ 33,480	$ -	$ 33,480	$ 130,497	$ -	$ 163,977
Less - vacancies	-	-	-	9,939	-	9,939	5,950	-	5,950	29,160	-	35,110
Net rental income	16,695	-	16,695	233,972	-	250,667	27,530	-	27,530	101,337	-	128,867
Other revenue and support:												
Program fees and other	86,833	-	86,833	3,688	(31,445)	59,076	39,674	-	39,674	-	-	39,674
Contracts	36,451	-	36,451	-	-	36,451	33,669	-	33,669	-	-	33,669
Grants and contributions	21,823	-	21,823	-	-	21,823	54,895	34,248	89,143	-	-	89,143
Developer fees and overhead	-	-	-	-	-	-	335,225	-	335,225	-	(223,228)	111,997
Net assets released from restrictions	34,248	(34,248)	-	-	-	-	6,000	(6,000)	-	-	-	-
Total operating revenue and support	196,050	(34,248)	161,802	237,660	(31,445)	368,017	496,993	28,248	525,241	101,337	(223,228)	403,350
OPERATING EXPENSES:												
Program services:												
1060 Belmont	-	-	-	196,728	(31,445)	165,283	-	-	-	95,423	-	95,423
Housing Development	169,366	-	169,366	-	-	169,366	93,301	-	93,301	-	-	93,301
Housing Programs	48,702	-	48,702	-	-	48,702	103,209	-	103,209	-	-	103,209
Education and Outreach	12,580	-	12,580	-	-	12,580	7,890	-	7,890	-	-	7,890
Total program services	230,648	-	230,648	196,728	(31,445)	395,931	204,400	-	204,400	95,423	-	299,823
General and administration	111,303	-	111,303	-	-	111,303	82,124	-	82,124	-	-	82,124
Total operating expenses before depreciation and amortization	341,951	-	341,951	196,728	(31,445)	507,234	286,524	-	286,524	95,423	-	381,947
Depreciation and amortization	505	-	505	137,161	(6,511)	131,155	1,782	-	1,782	47,016	-	48,798
Total operating expenses	342,456	-	342,456	333,889	(37,956)	638,389	288,306	-	288,306	142,439	-	430,745
Changes in net assets from operations	(146,406)	(34,248)	(180,654)	(96,229)	6,511	(270,372)	208,687	28,248	236,935	(41,102)	(223,228)	(27,395)
CAPITAL GRANTS	-	-	-	470,000	-	470,000	-	-	-	-	-	-
Changes in net assets	(146,406)	(34,248)	(180,654)	373,771	6,511	199,628	208,687	28,248	236,935	(41,102)	(223,228)	(27,395)
NET ASSETS, beginning of year	303,721	34,248	337,969	(187,843)	(223,228)	(73,102)	78,798	6,000	84,798	(130,505)	-	(45,707)
Net asset transfer	-	-	-	-	-	-	16,236	-	16,236	(16,236)	-	-
NET ASSETS, end of year	$ 157,315	$ -	$ 157,315	$ 185,928	$ (216,717)	$ 126,526	$ 303,721	$ 34,248	$ 337,969	$ (187,843)	$ (223,228)	$ (73,102)

The accompanying notes are an integral part of these combining statements.

WATERTOWN COMMUNITY DEVELOPMENT, INC. (FORMERLY WATERTOWN COMMUNITY HOUSING, INC.) AND 1060 BELMONT, INC.

COMBINING STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011				2010			
	WATERTOWN COMMUNITY DEVELOPMENT	1060 BELMONT	ELIMI-NATIONS	TOTAL	WATERTOWN COMMUNITY DEVELOPMENT	1060 BELMONT	ELIMI-NATIONS	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES:								
Changes in net assets from operations	$ (180,654)	$ (96,229)	$ 6,511	$ (270,372)	$ 236,935	$ (41,102)	$ (223,228)	$ (27,395)
Adjustments to reconcile changes in net assets from operations to net cash provided by operating activities:								
Depreciation and amortization	505	137,161	(6,511)	131,155	1,782	47,016	-	48,798
Bad debt	8,000	-	-	8,000	-	-	-	-
Changes in operating assets and liabilities:								
Accounts receivable	(16,668)	11,856	-	(4,812)	(5,715)	(15,541)	-	(21,256)
Pledge receivable	-	-	-	-	11,000	-	-	11,000
Prepaid expenses	(10,580)	(9,660)	-	(20,240)	205	-	-	205
Due from (to) related party	265,431	-	(265,431)	-	(218,362)	-	218,362	-
Accounts payable	49,453	(2,953)	-	46,500	(12,621)	14,624	-	2,003
Accrued expenses	(2,722)	-	-	(2,722)	815	-	-	815
Prepaid rent	-	(4,755)	-	(4,755)	-	4,755	-	4,755
Net cash provided by operating activities	112,765	35,420	(265,431)	(117,246)	14,039	9,752	(4,866)	18,925
CASH FLOWS FROM INVESTING ACTIVITIES:								
Deposit to reserves	-	(218,212)	-	(218,212)	-	-	-	-
Purchase of property and equipment	(103,763)	(8,844)	-	(112,607)	-	(2,292,088)	223,228	(2,068,860)
Acquisition of capitalized costs	-	(51,698)	-	(51,698)	-	(50,000)	-	(50,000)
Net cash used in investing activities	(103,763)	(278,754)	-	(382,517)	-	(2,342,088)	223,228	(2,118,860)
CASH FLOWS FROM FINANCING ACTIVITIES:								
Proceeds (payments) on mortgage notes payable, net	53,095	744,176	-	797,271	(1,554)	2,184,669	-	2,183,115
Payment of liabilities by related party	-	-	-	-	54,508	(54,508)	-	-
Payments on line of credit	-	-	-	-	(15,714)	-	-	(15,714)
Payment on construction payable	-	(214,910)	-	(214,910)	-	-	-	-
Due to related party	-	(265,431)	265,431	-	-	218,362	(218,362)	-
Net cash provided by financing activities	53,095	263,835	265,431	582,361	37,240	2,348,523	(218,362)	2,167,401
NET INCREASE IN CASH	62,097	20,501	-	82,598	51,279	16,187	-	67,466
CASH, beginning of year	104,587	16,187	-	120,774	53,308	-	-	53,308
CASH, end of year	$ 166,684	$ 36,688	$ -	$ 203,372	$ 104,587	$ 16,187	$ -	$ 120,774
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:								
Changes in construction payables	$ -	$ -	$ -	$ -	$ (8,076)	$ 298,369	$ -	$ 290,293
Transfer of net fixed assets to related party	$ -	$ -	$ -	$ -	$ (2,588,293)	$ 2,588,293	$ -	$ -
Transfer of debt to related party	$ -	$ -	$ -	$ -	$ (2,656,661)	$ 2,656,661	$ -	$ -
Cash paid for interest:								
Expensed	$ 5,196	$ 41,050	$ -	$ 46,246	$ 5,748	$ 3,865	$ -	$ 9,613
Capitalized	$ -	$ -	$ -	$ -	$ -	$ 71,315	$ -	$ 71,315

The accompanying notes are an integral part of these combining statements.

WATERTOWN COMMUNITY DEVELOPMENT, INC. (FORMERLY WATERTOWN COMMUNITY HOUSING, INC.) AND 1060 BELMONT, INC.

COMBINING STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2011
(With Summarized Comparative Totals for the Year Ended December 31, 2010)

	2011									2010
	WATERTOWN COMMUNITY DEVELOPMENT									
	PROGRAM SERVICES									
	HOUSING PROGRAMS	EDUCATION AND OUTREACH	HOUSING DEVELOPMENT	TOTAL PROGRAM SERVICES	GENERAL AND ADMINIS-TRATION	TOTAL WATERTOWN COMMUNITY DEVELOPMENT	1060 BELMONT	ELIMI-NATIONS	COMBINED TOTAL	COMBINED TOTAL
OPERATING EXPENSES:										
Personnel and related:										
Salaries	$ 21,656	$ 2,315	$ 108,124	$ 132,095	$ 29,930	$ 162,025	$ -	$ -	$ 162,025	$ 146,481
Payroll taxes and fringe benefits	3,952	169	17,419	21,540	4,463	26,003	-	-	26,003	32,978
Contract labor	-	-	-	-	18,035	18,035	-	-	18,035	-
Total personnel and related	25,608	2,484	125,543	153,635	52,428	206,063	-	-	206,063	179,459
Occupancy:										
Facility depreciation and amortization	-	-	-	-	-	-	137,161	(6,511)	130,650	47,016
Maintenance	-	-	6,928	6,928	-	6,928	56,995	-	63,923	28,227
Interest	-	-	5,196	5,196	-	5,196	41,050	-	46,246	9,613
Utilities	430	86	1,294	1,810	184	1,994	43,736	-	45,730	29,958
Taxes	-	-	1,514	1,514	-	1,514	13,387	-	14,901	13,085
Rent	7,380	1,476	2,214	11,070	3,690	14,760	-	-	14,760	14,520
Property insurance	-	-	-	-	-	-	8,213	-	8,213	7,899
Total occupancy	7,810	1,562	17,146	26,518	3,874	30,392	300,542	(6,511)	324,423	150,318
Other:										
Professional fees	4,895	2,550	6,498	13,943	42,451	56,394	1,067	-	57,461	22,359
Memberships	250	1,037	10,000	11,287	-	11,287	-	-	11,287	11,111
Bad debt	-	-	8,000	8,000	-	8,000	-	-	8,000	-
Supplies	1,040	1,956	1,190	4,186	2,940	7,126	365	-	7,491	5,186
Insurance	2,600	-	-	2,600	2,989	5,589	-	-	5,589	6,774
Miscellaneous	437	1,614	110	2,161	1,517	3,678	470	-	4,148	4,040
Telephone	1,615	347	535	2,497	813	3,310	-	-	3,310	3,485
Printing and postage	1,108	983	115	2,206	1,052	3,258	-	-	3,258	4,629
Program expense	3,116	-	-	3,116	-	3,116	-	-	3,116	11,616
Payroll fees	-	-	-	-	2,312	2,312	-	-	2,312	6,093
Interest	-	-	-	-	927	927	-	-	927	221
Equipment depreciation	-	-	-	-	505	505	-	-	505	1,782
Travel	223	47	229	499	-	499	-	-	499	420
Property management fee	-	-	-	-	-	-	31,445	(31,445)	-	13,764
Rent up and other fees	-	-	-	-	-	-	-	-	-	9,488
Total other	15,284	8,534	26,677	50,495	55,506	106,001	33,347	(31,445)	107,903	100,968
Total operating expenses	$ 48,702	$ 12,580	$ 169,366	$ 230,648	$ 111,808	$ 342,456	$ 333,889	$ (37,956)	$ 638,389	$ 430,745

The accompanying notes are an integral part of these combining statements.

WATERTOWN COMMUNITY DEVELOPMENT, INC. (FORMERLY WATERTOWN COMMUNITY HOUSING, INC.) AND 1060 BELMONT, INC.

COMBINING STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2010

	WATERTOWN COMMUNITY DEVELOPMENT							
	PROGRAM SERVICES							
	HOUSING PROGRAMS	EDUCATION AND OUTREACH	HOUSING DEVELOPMENT	TOTAL PROGRAM SERVICES	GENERAL AND ADMINIS-TRATION	TOTAL WATERTOWN COMMUNITY DEVELOPMENT	1060 BELMONT	COMBINED TOTAL
OPERATING EXPENSES:								
Personnel and related:								
Salaries	$ 74,365	$ 2,532	$ 34,594	$ 111,491	$ 34,990	$ 146,481	$ -	$ 146,481
Payroll taxes and fringe benefits	5,813	192	19,481	25,486	7,492	32,978	-	32,978
Total personnel and related	80,178	2,724	54,075	136,977	42,482	179,459	-	179,459
Occupancy:								
Facility depreciation and amortization	-	-	-	-	-	-	47,016	47,016
Maintenance	-	-	4,799	4,799	1,184	5,983	22,244	28,227
Interest	-	-	5,748	5,748	-	5,748	3,865	9,613
Utilities	415	83	1,984	2,482	207	2,689	27,269	29,958
Taxes	-	-	1,954	1,954	-	1,954	11,131	13,085
Rent	7,260	1,452	2,178	10,890	3,630	14,520	-	14,520
Property insurance	-	-	356	356	-	356	7,543	7,899
Total occupancy	7,675	1,535	17,019	26,229	5,021	31,250	119,068	150,318
Other:								
Professional fees	1,750	-	5,706	7,456	14,903	22,359	-	22,359
Memberships	-	1,111	10,000	11,111	-	11,111	-	11,111
Supplies	529	20	1,270	1,819	3,248	5,067	119	5,186
Insurance	618	124	186	928	5,846	6,774	-	6,774
Miscellaneous	-	1,020	923	1,943	2,097	4,040	-	4,040
Telephone	1,642	294	440	2,376	1,109	3,485	-	3,485
Printing and postage	1,969	969	600	3,538	1,091	4,629	-	4,629
Program expense	8,782	-	2,834	11,616	-	11,616	-	11,616
Payroll fees	-	-	-	-	6,093	6,093	-	6,093
Interest	-	-	-	-	221	221	-	221
Equipment depreciation	-	-	-	-	1,782	1,782	-	1,782
Travel	66	93	248	407	13	420	-	420
Property management fee	-	-	-	-	-	-	13,764	13,764
Rent up and other fees	-	-	-	-	-	-	9,488	9,488
Total other	15,356	3,631	22,207	41,194	36,403	77,597	23,371	100,968
Total operating expenses	$ 103,209	$ 7,890	$ 93,301	$ 204,400	$ 83,906	$ 288,306	$ 142,439	$ 430,745

The accompanying notes are an integral part of these combining statements.

WATERTOWN COMMUNITY DEVELOPMENT, INC.
(FORMERLY WATERTOWN COMMUNITY HOUSING, INC.)
AND 1060 BELMONT, INC.

NOTES TO COMBINING FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

(1) OPERATIONS, NONPROFIT STATUS AND SIGNIFICANT ACCOUNTING POLICIES

OPERATIONS

Watertown Community Development, Inc. (formerly Watertown Community Housing, Inc.) (WCD), is a nonprofit organization that was formed on May 18, 1990, to provide housing assistance to low and moderate income families in Watertown, Massachusetts, through non-interest bearing loans to first-time homebuyers, development and rehabilitation of permanent affordable housing and other initiatives.

1060 Belmont, Inc. (1060 Belmont) is a nonprofit organization established in March, 2010, to own, develop, manage, and lease eighteen residential units of affordable housing in Watertown, Massachusetts (the Property). WCD appoints 1060 Belmont's Board of Directors.

The activities of 1060 Belmont were a program of WCD through March 22, 2010. Effective March 23, 2010, the assets, liabilities and net assets of 1060 Belmont were spun-off into 1060 Belmont, Inc., a separate organization.

NONPROFIT STATUS

WCD and 1060 Belmont are exempt from Federal income taxes as organizations (not private foundations) formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code. WCD and 1060 Belmont are also exempt from state income taxes. Donors may deduct contributions made to these organizations within Internal Revenue Code requirements.

SIGNIFICANT ACCOUNTING POLICIES

WCD and 1060 Belmont prepare their combining financial statements in accordance with generally accepted accounting standards and principles established by the Financial Accounting Standards Board (FASB). References to U.S. GAAP in these footnotes are to the FASB Accounting Standards Codification.

Principles of Combination

The accompanying combining financial statements include the activities of WCD and 1060 Belmont as of March 23, 2010.

WCD and 1060 Belmont (collectively, the Organization) are related through common Board of Director members. All significant intercompany transactions and balances have been eliminated in the accompanying combining financial statements.

Revenue Recognition

Rents are recorded over the lease term. Contracts, program and developer fees are recorded when services are provided and costs are incurred. Unrestricted grants and contributions are recorded as unrestricted revenue and net assets when received or unconditionally committed.

(1) OPERATIONS, NONPROFIT STATUS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

Donor restricted grants and contributions (i.e. grants and contributions with time or purpose restrictions) are recognized as temporarily restricted revenue and net assets when received or unconditionally pledged. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, the amounts are shown as net assets released from restrictions in the accompanying combining statements of activities and changes in net assets. Donor restricted grants and contributions received and satisfied in the same period are included in unrestricted net assets.

All other revenue is recognized as earned. Other revenue for the year ended December 31, 2011, relates to two capital grants provided to 1060 Belmont to fund building construction, which were structured as forgivable loans. Under the terms of the agreements, 1060 Belmont has to continue operating the building for low-income housing for a specified time period (see page 14).

Description of Net Assets

Unrestricted:

Unrestricted net assets are those net resources that bear no external restrictions and are generally available for use by the Organization. The Organization has grouped its unrestricted net assets into the following categories:

Operating - consists of amounts relating to program and other operating activities and are currently available for operations.

Development - reflects the net book value of 28 Quimby Street, net of related debt and construction in process related St. Joseph Hall, net of related debt (see page 9 and Note 13).

Property and equipment - reflect the net book value of the Organization's property and equipment, net of related debt.

Temporarily Restricted:

Temporarily restricted net assets as of December 31, 2011 and 2010, represent amounts received or committed with donor restrictions that have not yet been expended for their designated purpose. Temporarily restricted net assets consist entirely of purpose restricted net assets at December 31, 2010.

Allowance for Doubtful Accounts

The allowance for doubtful accounts is recorded based on management's analysis of specific accounts and their estimate of amounts that may be uncollectible, if any. There was no allowance for doubtful accounts as of December 31, 2011 and 2010.

(1) OPERATIONS, NONPROFIT STATUS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment and Depreciation

Property and equipment are recorded at cost when purchased or at fair market value at the date of donation. Renewals and betterments are capitalized as additions to the related asset accounts, while repairs and maintenance are expensed as incurred.

Depreciation is computed using the straight-line method over the following estimated useful lives:

	Estimated Useful Lives
Land	N/A
Building	40 years
Building improvements	40 years
Furniture, fixtures and equipment	5 - 10 years

The Organization incurred predevelopment costs relating to a new housing project (St. Joseph Hall) (see Note 13) of approximately $104,000 as of December 31, 2011, which are shown as construction in process in the accompanying statement of financial position. The construction in process has not been depreciated as of December 31, 2011, and will depreciate once the renovations are completed (see Note 13).

Depreciation expense was $133,041 and $47,438 for the years ended December 31, 2011 and 2010, respectively.

Tenants Security Deposits

Tenant security deposits consist of deposits collected upon move-in. Interest is paid annually to the tenants based on the current interest rate of the bank where the Organization holds the deposits.

Estimates

The preparation of combining financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combining financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Capitalized Costs and Amortization

Capitalized costs are being amortized over the related commitment term (see Note 8).

(1) OPERATIONS, NONPROFIT STATUS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements

The Organization follows the *Fair Value Measurements and Disclosures* standards. These standards define fair value, establish a framework for measuring fair value under U.S. GAAP, and expand disclosures about fair value measurements. This policy establishes a fair value hierarchy that prioritizes the inputs and assumptions used to measure fair value. The Organization values its qualifying assets and liabilities using Level I inputs. Level I inputs reflect unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date. A qualifying asset or liability's level within the framework is based upon the lowest level of any input that is significant to the fair value measurement.

Expense Allocation

The combining financial statements present expenses by functional classification in accordance with the overall service mission of WCD. Each functional classification displays all expenses related to the underlying operations by natural classification. Expenses are allocated among program services and general and administrative costs on the basis of the time records and on estimates made by WCD's management.

Subsequent Events

Subsequent events have been evaluated through April 26, 2012, which is the date the combining financial statements were available to be issued. Events that met the criteria for disclosure in the combining financial statements are described in Note 12.

Uncertainty in Income Taxes

The Organization follows the U.S. GAAP standards for *Accounting for Uncertainty in Income Taxes*, which requires the Organization to report any uncertain tax positions and to adjust its combining financial statements for the impact thereof. As of December 31, 2011, the Organization determined that it had no material unrecognized tax benefits to report. The Organization files Federal and Massachusetts information returns. These returns are generally subject to examination by tax authorities for the last three years. The Organization does not expect that the amounts of unrecognized tax benefits will change significantly within the next twelve months.

(2) LEASE COMMITMENTS

WCD leases its office space under an agreement that expires on August 31, 2013. Annual rents were $14,400 from September, 2009, through August, 2010, and $14,760 from September, 2010, through August, 2012; thereafter monthly rent will equal $1,255. The Organization is responsible for utilities, property taxes and routine maintenance. Total rent expense for the office space was $14,760 and $14,520 for the years ended December 31, 2011 and 2010, respectively.

Future minimum lease payments under this agreement for the remaining two years are as follows:

2012	$14,860
2013	$10,040

(3) LINE OF CREDIT

The Organization has a line of credit with a bank that allows borrowings up to $35,000. Interest on outstanding balances accrues at the bank's prime rate (3.25% at December 31, 2011 and 2010), subject to a floor of 4.5%. There were no amounts outstanding under the agreement at December 31, 2011 and 2010. The line is renewable annually and is unsecured. The Organization is also required to meet certain covenants. WCD was in compliance with these covenants as of December 31, 2011 and 2010. Subsequent to December 31, 2011, the line of credit was renewed by the bank.

(4) HOME OWNERSHIP LOANS

WCD facilitates loans to income eligible first-time homebuyers through a program sponsored by the Town of Watertown (the Town). WCD acts as a fiscal agent on behalf of the Town to identify eligible participants for the program. The Town approves and makes loans to the program participants. Any amounts borrowed are due to the Town by the individuals in accordance with the terms of the loan agreements. Since these loans are between the individual participants and the Town, they are not included in the accompanying combining financial statements. WCD facilitated loans to four individuals totaling approximately $53,000 and none were paid in 2011 and 2010.

(5) PROPERTY HELD FOR SALE/REFUNDABLE GRANT

WCD purchased an affordable condominium unit (the Project) during 2009 for $172,848. Currently, the Project is being rented as a tenant-at-will, and WCD planned to resell the Project in 2010. Due to the weak housing market, the Project is still on the market. All notes/mortgages associated with the Project will be paid off with the proceeds from the sale. As of December 31, 2011, the Project and associated closing costs are shown as property held for sale in the accompanying combining statements of financial position. In connection with this purchase, WCD received a refundable grant amounting to $59,300 from the Town. This refundable grant is due to be repaid upon the eventual sale of the Property. WCD also financed this acquisition with a note payable to a bank (see Note 6).

(6) MORTGAGE NOTES PAYABLE

Mortgage notes payable consists of the following at December 31:

	2011	2010
Watertown Community Development, Inc.		
5.25% note payable to Belmont Savings Bank, due in monthly principal and interest installments of $608, through December, 2019, with a balloon payment of approximately $90,000 due in December, 2019. The note is secured by a first mortgage on the property located at 28 Quimby Street, Watertown, Massachusetts (see Note 5).	$ 106,997	$108,634
7% note payable to Community Economic Development Assistance Corporation (CEDAC) that allows for borrowings up to $400,000. CEDAC has authorized WCD to borrow up to $98,550 as of December 31, 2011. Interest is due monthly. The note will be repaid when WCD obtains construction financing relating to St Joseph Hall. The note is unsecured.	54,732	-
1060 Belmont, Inc.		
5% note payable to Watertown Savings Bank, due in monthly principal and interest installments of $5,905 beginning in April, 2011, through February, 2031. There is balloon payment of $560,729 due on March 17, 2031. The note is secured by a first mortgage on the Property.	1,087,904	-
6% note payable to Boston Community Loan Fund (BCLF) that allowed for borrowings up to $1,000,000. This note was due in March, 2011, and was repaid with permanent financing. WCD drew $14,366 for interest costs during 2011. Interest payments were due monthly. The note was secured by a first mortgage on the Property.	-	768,207
	1,249,633	876,841
Less - current portion	18,573	13,723
Total mortgage notes payable, net of current portion	$1,231,060	$863,118

The mortgage notes payable contain various covenants and restrictions on the Organization, as described in the agreements. As of December 31, 2011and 2010, the Organization was in compliance with these covenants.

(6) MORTGAGE NOTES PAYABLE (Continued)

Maturities of mortgage notes payable over the next five years are as follows:

2012	$18,573
2013	$19,528
2014	$20,532
2015	$21,587
2016	$22,696

(7) CONTINGENT DEBT

Contingent debt consists of the following at December, 31:

1060 Belmont, Inc.	2011	2010
Non-interest bearing note payable to the Commonwealth of Massachusetts, Department of Housing and Community Development (DHCD) under the Tax Credit Exchange Program (TC-X Program). This note has a thirty-year term and repayment at maturity (March, 2040) will be required to the extent permissible pursuant to TC-X program requirements. The note is secured by a shared second mortgage on the Property.	$2,832,491	$2,549,242
Non-interest bearing note payable to the Town under the HOME program. This note is due in December, 2025, but may be fully forgiven at maturity. No payments are due prior to the maturity date provided the Organization operates the Property as affordable housing. The note is secured by a shared second mortgage on the Property.	760,111	665,631
Non-interest bearing note payable to CEDAC. Annual payments are due if gross receipts exceed 105% of gross expenditures, as defined in the agreement, within forty five days after the year end. This note is due in full in August, 2040, and is secured by a shared second mortgage on the Property.	435,000	413,250
Non-interest bearing note payable to the Town in the amount of $250,000. This note is not due as long as the Property is held by the Organization and operates as affordable housing. The note is secured by a shared second mortgage on the Property.	-	225,000
Non-interest bearing note payable to Watertown Savings Bank through Federal Home Loan Bank of Boston Affordable Housing Program. This note is not due as long as the Property is held by the Organization and operates as affordable housing. The note is secured by a shared second mortgage on the Property.	-	220,000
Total contingent debt	$4,027,602	$4,073,123

(7) CONTINGENT DEBT (Continued)

The last two contingent loans were converted to grant revenue as a result of the Organization's change in application of its policy. Both amounts were granted to the Organization for construction costs on the Property. They are not due back and will be forgiven as long as the Property operates as affordable housing, which is in line with the Organization's mission. During 2011, the Organization received additional $25,000 from the Town.

(8) CAPITALIZED COSTS

Capitalized costs consist of the following at December 31:

	2011	2010
Asset management fee	$ 50,000	$50,000
Permanent financing fees	51,698	-
Loan commitment fee	-	19,277
	101,698	69,277
Less - accumulated amortization	5,181	19,833
Capitalized costs, net	$ 96,517	$49,444

Amortization expense was $4,625 and $1,360 for the years ended December 31, 2011 and 2010, respectively.

(9) RESERVES

Operating Reserve

Under the provisions of the TC-X Loan agreement, 1060 Belmont is required to maintain an operating reserve account to fund future operating deficits. The Organization deposited $200,137 in this reserve during 2011. Withdrawals from this account require DHCD's approval.

Capital Needs Reserve

1060 Belmont established a capital needs reserve to fund future capital improvements to the property. The balance of this reserve account totaled $18,020 as of December 31, 2011.

(10) RELATED PARTY TRANSACTIONS

A member of the Board of Directors also serves on the Watertown Housing Partnership Committee. The Organization has obtained financing from the Town, which was approved by the Watertown Housing Partnership Committee in 2011 and 2010 (see Note 7). This Board member abstains from discussions and voting on matters related to his respective committee.

(10) RELATED PARTY TRANSACTIONS (Continued)

WCD is the sponsor of the Property. As the sponsor, WCD was entitled to a developer fee of $223,228 and overhead reimbursement of $223,228 for services provided. WCD earned overhead reimbursement and developer fees of $335,225 during the year ended December 31, 2010, and overhead reimbursement of $111,231 prior to 2010. 1060 Belmont owed $223,228 for these services as of December 31, 2010, which has been eliminated in the accompanying combining financial statements. These fees were fully paid as of December 31, 2011.

WCD owed 1060 Belmont $47,069 and $62,231 as of December 31, 2011 and 2010, respectively, for rents collected on its behalf. These amounts are included in due to related party in the accompanying combining statements of financial position and have been eliminated in the accompanying combining financial statements.

1060 Belmont owed WCD $57,365 as of December 31, 2010, for expenses WCD paid on its behalf. This amount is included in due to related party in the accompanying combining statement of financial position and has been eliminated. These amounts were repaid during 2011.

Effective February, 2010, WCD entered into a management contract with 1060 Belmont to provide property management services to the Property for a term of two years. Beginning in 2011, WCD receives a management fee of 6% of gross revenue of the Property, as defined in the agreement. After the initial two-year term, this agreement automatically renews annually unless terminated by either party with thirty days written notice. WCD earned $31,445 in property management fees in 2011. This amount has been eliminated in the accompanying combining financial statements.

Effective January, 2010, WCD, along with three other local community development entities located in the metro west region of Massachusetts, founded an unincorporated entity known as Metro West Collaborative Developer, Inc. (the Collaborative). The primary goal of the Collaborative is to undertake affordable housing development in member communities. WCD entered into a formal agreement to host the Collaborative as one of its programs. As part of the agreement, WCD agreed to provide staffing and oversight of the Collaborative's related activities. Each member also agreed to contribute an annual membership fee of $10,000. During 2011 and 2010, WCD recorded $45,000 and $35,000, respectively, in membership fees. This amount is included in program fees and other in the accompanying combining statements of activities and changes in net assets.

(11) COMMITMENT

The Organization has an agreement with a company to provide property maintenance and repair services to the Property. The company is compensated a flat monthly fee of $1,147, plus additional payments for work performed after hours. This contract renews annually unless terminated by either party with sixty day notice. Property maintenance fee expense was $13,764 for the years ended December 31, 2011 and 2010. This amount is included in maintenance in the accompanying combining statements of functional expenses.

(12) SUBSEQUENT EVENTS

Subsequent to year end, Watertown Community Development, Inc. changed its name to Metro West Collaborative Development, Inc.

(13) CONSTRUCTION IN PROGRESS

Watertown Community Development, Inc.

On April 28, 2011, WCD signed a purchase and sale agreement (the agreement) to acquire a property located in Watertown, Massachusetts (St. Joseph Hall), which consists of twenty-five units of elderly housing. The purchase price will be $1,090,000. WCD plans to renovate the property and maintain the twenty-five units of elderly housing. The total budget for the Project is $5,269,000. This project will be funded through a combination of long-term debt, contingent debt and syndication proceeds. WCD has incurred predevelopment costs of approximately $104,000 as of December 31, 2011(see Note 1).

The purchase and sale agreement has been amended several times to allow for extensions. As of December 31, 2011, WCD has made non-refundable deposits totaling $10,000 towards the agreement, which are included in construction in process. These deposits will be credited toward the purchase price of the property. WCD purchased the property during March, 2012, and entered into the following loan agreements:

- Note payable from the Town under the HOME program. The note is for $550,065, of which $370,000 was for acquisition and the balance is for soft costs and construction. The note bears simple interest at 4.5% and is due twenty years from the project completion date. This note is secured by a first mortgage on the property.

- Note payable from St. Joseph's Hall, Inc. (seller of the property). This note is for $720,000 and was used towards the acquisition of the property. This note bears interest at 3.76% and is due in monthly principal and interest installments of $3,339 beginning on April 1, 2012, through April 1, 2030. All outstanding principal and interest are due on April 1, 2030. This note may be prepaid prior to the maturity date subject to a penalty as defined in the note agreement. This note is secured by a second mortgage on the property.

Prior to the acquisition of the property, WCD had an agreement with the seller to carry on the day-to-day operations of St. Joseph Hall beginning April, 2011. WCD received a management fee equal to 8% of collected rents. Total management income under this agreement was $17,183 for the year ended December 31, 2011, which is included in program fees and other in the accompanying combining statement of activities and changes in net assets. This agreement was terminated upon the purchase of St. Joseph Hall by WCD.

(14) RECLASSIFICATIONS

Certain amounts in the 2010 combining financial statements were reclassified to conform to the 2011 presentation.

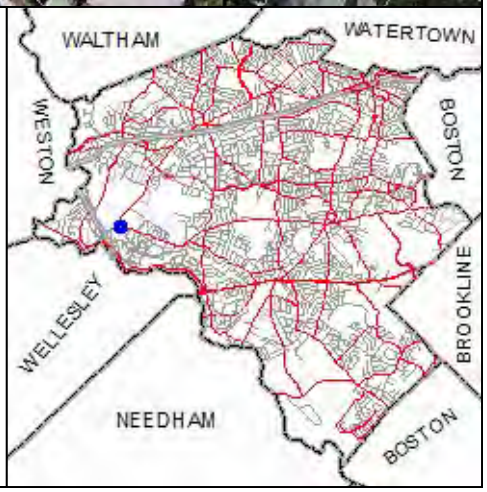
4/4/2013

City of Newton

Property ID: 42004 0005
Address: 2042-2044 BEACON ST
Owner: THE HOSPICE OF THE GOOD

MAP FOR REFERENCE ONLY
NOT A LEGAL DOCUMENT

Because of different update schedules, current property assessments may not reflect recent changes to property boundaries. Check with the Assessors' Office to confirm boundaries uses at the time of assessment.



PURCHASE AND SALE AGREEMENT

THIS **PURCHASE AND SALE AGREEMENT** (*"Agreement"*) is made as of March 15, 2013 ("Effective Date") by and between Hospice of the Good Shepherd, Incorporated, a Massachusetts non-profit corporation (*"Seller"*), and Metro West Collaborative Development, Inc., a Massachusetts non-profit corporation (*"Buyer"*).

1. *Purchase and Sale.* Subject to the terms and conditions set forth in this Agreement, Seller agrees to sell, transfer and convey to Buyer, and Buyer agrees to purchase and accept from Seller, the following real and personal property (collectively, the *"Property"*):

1.1 All that certain land located in Newton, Massachusetts, more particularly described in Exhibit A hereto, together with all privileges, rights, easements and appurtenances belonging to such land, and all right, title and interest (if any) of Seller in and to any streets, alleys, passages, and other rights-of-way or appurtenances included in, adjacent to or used in connection with such land, and all right, title and interest (if any) of Seller in all mineral and development rights appurtenant to such land (the *"Land"*);

1.2 The building (the *"Building"*), known and numbered as 2042-2044 Beacon Street, Newton, Massachusetts containing approximately 6,606 square feet, together with all other improvements located on the Land (the Building and such improvements being hereinafter collectively referred to as the *"Improvements,"* and the Land and the Improvements being hereinafter collectively referred to as the *"Property"*);

1.3 The Seller shall remove all items of personal property from the Property by the Closing and deliver to the Buyer the Building in broom-clean condition;

2. *Purchase Price.* The purchase price for the Property (the *"Purchase Price"*) shall be Nine Hundred Thousand and 00/100 Dollars ($ 900,000.00), which, subject to the terms and conditions hereinafter set forth, shall be paid to Seller by Buyer as follows:

2.1 *Deposit.* Buyer has delivered to Saint James Real Estate Advisors, LLC ("Broker") a cash deposit in the amount of One Thousand and 00/100 Dollars ($1,000.00) (the *"Offer Deposit"*). Concurrently with the execution and delivery of this Agreement by Buyer, Buyer shall deliver to Broker, in immediately available funds, to be held in escrow and delivered in accordance with this Agreement, a cash deposit in the amount of Nineteen Thousand and 00/100 Dollars ($19,000.00) (together with the Offer Deposit and the Permitting Deposit (defined below) the *"Deposit"*). The Deposit shall be held and distributed as follows:

2.1.1 The Deposit shall be held by Broker in an interest bearing account approved in writing by Buyer; provided, however, that until such written approval and a signed IRS form W-9 is received by the Broker from Buyer, the Deposit will not be placed into such interest bearing account. All interest earned on the Deposit shall be deemed to be part of the Deposit and shall accrue to the benefit of Buyer except to the extent the Deposit becomes payable to Seller pursuant to Paragraph 10.1, below, in which event the interest earned on the Deposit shall accrue to the benefit of the Seller.

2.1.2 If the Closing takes place in accordance with the terms and conditions of this Agreement, the Broker shall deliver and pay the Deposit to Seller on the Closing Date, and the amount so delivered shall be credited to Buyer against the Purchase Price due Seller in accordance with the terms and conditions of this Agreement.

2.1.3 If this Agreement is terminated by Buyer in accordance with the terms and conditions of this Agreement prior to the expiration of the Inspection Period (defined below) or the Permitting Period (defined below), then the Broker shall promptly deliver the Deposit to Buyer.

2.1.4 If this Agreement is terminated by Buyer in accordance with the terms and conditions of Paragraph 4 of this Agreement, then the Broker shall deliver the Deposit to Buyer promptly in accordance with the provisions of this Agreement.

2.1.5 If the Closing does not take place under this Agreement by reason of the failure of either party to comply with its obligations hereunder, the Broker shall promptly deliver the Deposit to the party entitled thereto in accordance with the provisions of this Agreement.

2.1.6 Except for a demand made by Buyer pursuant to a termination of this Agreement by Buyer prior to the expiration of the Inspection Period, upon receipt of a written demand from Seller or Buyer claiming the Deposit, the Broker shall promptly forward written notice of Broker's receipt of such demand together with a copy thereof to the other party hereto. Unless such other party, within ten (10) days after actual receipt of such notice, notifies the Broker in writing of any objection to such requested delivery of the Deposit, the Broker shall deliver the Deposit to the party demanding the same and thereupon shall be released and discharged from any further duty or obligation hereunder by all parties hereto. Notwithstanding anything to the contrary contained herein, the Broker shall not deliver the Deposit pursuant to any such demand for the same unless and until the Broker has received

confirmation that the party not making the demand for the Deposit has actually received notice of said demand and that the time for responding to said demand has passed.

2.2 *Payment at Closing*. At the consummation of the transaction contemplated hereby (the *"Closing"*), Buyer shall deliver to the Seller cash in an amount equal to the Purchase Price less the Deposit. The Purchase Price, subject to adjustments and apportionments as set forth herein, shall be paid at Closing by wire transfer of immediately available federal funds, or by certified check, transferred to the order or account of Seller or such other person as Seller may designate in writing, for receipt by the bank designated by Seller not later than 24 hours from the recordation of the deed from Seller to Buyer.

3. *Broker as Escrow Agent*. The Broker shall hold the Deposit as escrow agent in accordance with the terms and provisions of this Agreement, subject to the following:

3.1 *Obligations*. The Broker undertakes to perform only such duties as are expressly set forth in this Agreement and no implied duties or obligations shall be read into this Agreement against the Broker.

3.2 *Reliance*. The Broker may act in reliance upon any writing or instrument or signature which it, in good faith, believes to be genuine, and any statement or assertion contained in such writing or instrument, and may assume that any person purporting to give any writing, notice, advice, or instrument in connection with the provisions of this Agreement has been duly authorized to do so. The Broker shall not be liable in any manner for the sufficiency or correctness as to form, manner and execution, or validity of any instrument deposited in escrow, nor as to the identity, authority, or right of any person executing the same.

3.3 *Indemnification*. Unless the Broker discharges any of its duties under this Agreement in a negligent manner or is guilty of willful misconduct with regard to its duties under this Agreement, Seller and Buyer shall indemnify the Broker and hold it harmless from any and all claims, liabilities, losses, actions, suits or proceedings at law or in equity, or other expenses, fees, or charges of any character or nature, which it may incur or with which it may be threatened by reason of its acting as escrow agent under this Agreement; and in such connection Seller and Buyer shall indemnify the Broker against any and all expenses including reasonable attorneys' fees and the cost of defending any action, suit or proceeding or resisting any claim in such capacity.

3.4 *Disputes*. If the parties (including the Broker) shall be in disagreement about the interpretation of this Agreement, or about their respective rights and obligations, or the propriety of any action contemplated by the Broker, or the application of the Deposit, the Broker shall have the right to hold

the Deposit until the receipt of written instructions from both Buyer and Seller or a final order of a court of competent jurisdiction. In addition, in any such event, the Broker may, but shall not be required to, file an action in interpleader to resolve the disagreement. The Broker shall be indemnified for all costs and reasonable attorneys' fees in its capacity as escrow agent hereunder in connection with any such interpleader action and shall be fully protected in suspending all or part of its activities under this Agreement until a final judgment in the interpleader action is received.

3.5 *Counsel.* The Broker may consult with counsel of its own choice and have full and complete authorization and protection in accordance with the opinion of such counsel. The Broker shall otherwise not be liable for any mistakes of fact or errors of judgment, or for any acts or omissions of any kind, unless caused by its negligence or willful misconduct.

4. *Buyer's Due Diligence Inspection and Termination Rights; "As Is" Sale*

4.1 *Inspection of Property.* Buyer and its appointed agents or independent contractors shall, at all reasonable times prior to the Closing Date, have the privilege of going upon the Property to, at Buyer's sole cost and expense, inspect, examine, test, appraise, and survey the Property, including, but not limited to, investigations of the physical condition thereof and to determine the status of the Land and the Improvements with respect to geotechnical matters and Hazardous Materials (defined below) and compliance with applicable environmental laws; provided, however, that Buyer shall not perform any sampling or testing of environmental media at the Property until Seller has approved the scope of Buyer's sampling and testing. To this end, Buyer shall present to Seller a reasonably detailed description of the sampling and testing proposed to be performed which includes the sampling locations and analyses to be made, prepared by the engineering firm to perform such work (and, if requested by Seller, a copy of any Phase I Environment report previously obtained by Buyer), for Seller's review and approval. If Seller disapproves such testing, Buyer's sole remedy shall be to terminate this Agreement, in which event the Deposit shall be reimbursed to Buyer and neither party shall have any further obligations hereunder, except for those that expressly survive the termination of this Agreement. If Seller approves such testing, then Buyer shall be permitted to cause such sampling and testing to be performed, but only to the extent approved by Seller. Buyer shall, and does hereby covenant and agree to, repair any and all damage caused by the activities of Buyer or its agents on the Property and to indemnify, defend and hold Seller harmless from any actions, suits, liens, claims, damages, expenses, losses and liability arising out of any such entry by Buyer or its appointed agents or independent contractors or any acts performed in exercising Buyer's rights under this Paragraph 4.1 (including without limitation, any rights or claims of materialmen or

mechanics to liens on the Property, but excluding matters merely discovered by, and not caused by, Buyer, its agents or contractors).

4.2 *Inspection of Documents*. The right of inspection described in Paragraph 4.1 above shall extend to, and include, the right to examine, and Seller agrees to make available at Seller's office, all of Seller's records with respect to the Property, including, without limitation, the plans and specifications, the engineering reports, the feasibility studies, the licenses, the warranties, surveys, and any information Seller may have regarding the zoning status of the Property (the documents described herein referred to as the *"Due Diligence Documents"*).

4.3 *Termination for Inspection*. The term "Inspection Period," as used herein, shall mean the period ending at 5:00 P.M. Eastern Daylight or Standard (as applicable) Time on a date which is sixty (60) days from the Effective Date. Buyer may terminate this Agreement in its sole discretion by giving written notice of such election to Seller prior to the end of the Inspection Period, in which event (i) the Deposit shall be returned promptly to Buyer, and (ii) except as expressly set forth herein, neither party shall have any further liability or obligation to the other hereunder. In the absence of such written notice, Buyer shall be deemed to have waived its right to terminate this Agreement under this Paragraph 4.3, and this Agreement shall continue in full force and effect.

4.4 *Title and Survey Matters*.

4.4.1 Buyer shall promptly at its sole cost and expense obtain a title commitment (*"Title Commitment"*) from the Title Company and a survey (*"Survey"*) of the Property. Buyer shall have until the end of the Inspection Period to give written notice to Seller of any objections with respect thereto (*"Buyer's Title Objection Notice"*), indicating in reasonable detail the nature and reasons for Buyer's objections and including with such notice a copy of the Title Commitment and Survey, together with copies of any documents containing matters objected to in such notice. Failure to give such notice shall constitute Buyer's approval of (i) all title and survey matters disclosed in the existing title policy, survey and other title materials, if any, with respect to the Property delivered by Seller to Buyer, and (ii) all matters set forth in the Title Commitment and the Survey.

4.4.2 Seller shall have the right, but not the obligation, to attempt to cure any objections set forth in Buyer's Title Objection Notice. Seller shall notify Buyer within five (5) business days after receipt of Buyer's Title Objection Notice (*"Seller's Title Objection Response Period"*) whether Seller agrees to attempt to cure any objections set forth in Buyer's Title Objection Notice. If Seller so agrees to

attempt to cure any objections, then Seller shall have a period of up to thirty (30) days after the end of the Inspection Period (*"Title Cure Period"*) in order to effectuate such cure. If the Closing Date is scheduled to occur prior to the end of the Title Cure Period, then, upon written notice from Seller to Buyer delivered not less than three (3) business days prior to the then scheduled Closing Date, the Closing Date shall be extended until a date not later than three (3) business days after the end of the Title Cure Period in order for Seller to continue to effectuate such cure.

4.4.3 If Seller fails to give notice to Buyer prior to the expiration of Seller's Title Objection Response Period that Seller will attempt to cure all objections set forth in Buyer's Title Objection Notice, Buyer may, within five (5) business days after the expiration of Seller's Title Objection Response Period, terminate this Agreement by written notice to Seller, in which event (i) the Deposit shall be returned promptly to Buyer, and (ii) except as expressly set forth herein, neither party shall have any further liability or obligation to the other hereunder. If Buyer does not so terminate this Agreement within said five (5) business days after the expiration of Seller's Title Objection Response Period, Buyer shall be deemed to have waived its objections set forth in Buyer's Title Objection Notice that Seller has not agreed in writing to attempt to cure, and to have agreed to accept title to the Property subject thereto, without reduction in the Purchase Price.

4.4.4 In the event Seller gives timely notice to Buyer that Seller will attempt to cure any objections set forth in Buyer's Title Objection Notice, and if this Agreement is not terminated pursuant to Paragraph 4.4.3 above, Seller shall use commercially reasonable efforts to cure such objections and deliver evidence of such cure satisfactory to the Title Company and Buyer within the Title Cure Period, but in no event shall Seller be required to expend more than a maximum amount $4,500.00 in the aggregate to effectuate the cure of all such objections (excluding Monetary Liens (defined below), as to which such maximum amount shall not apply). If despite Seller's commercially reasonable efforts Seller fails to cure all such matters within the Title Cure Period, Buyer's sole right with respect thereto shall be to terminate this Agreement within two (2) business days after the expiration of the Title Cure Period, in which event (i) the Deposit shall be returned promptly to Buyer; and (ii) except as expressly set forth herein, neither party shall have any further liability or obligation to the other hereunder. If Buyer does not so terminate this Agreement, Buyer shall be deemed to have waived its objections and to have agreed to accept title to the Property subject thereto, without reduction in the Purchase Price.

4.4.5 Notwithstanding the foregoing, Seller agrees to cure at or prior to the Closing all "Monetary Liens" at Seller's sole cost and expense. As used here in, *"Monetary Lien"* means any security deed, mortgage, lien, security interest, monetary judgment, past due taxes or assessments or similar monetary encumbrance upon the Property created by Seller or placed on the Property by Seller's actions or inaction. A Monetary Lien shall be deemed cured by Seller if such Monetary Lien is released, satisfied or canceled of record at or prior to the Closing at no additional cost to Buyer, provided, however, that as to any institutional mortgage, the lien of such mortgage shall be deemed satisfactorily released if written confirmation is received from the mortgagee stating the amount to be delivered at the Closing to discharge such mortgage, in form and substance satisfactory to the Title Company to remove such mortgage from the list of encumbrances in Buyer's title insurance policy upon payment of such amount to said mortgagee out of Seller's proceeds at the Closing.

4.4.6 If Buyer does not terminate this Agreement pursuant to this Paragraph 4.4, the following matters shall be deemed accepted by Buyer and shall be referred to herein as *"Permitted Encumbrances"*:

4.4.6.1 All matters disclosed in the existing title policy, survey and other title materials, if any, delivered by Seller to Buyer and all matters disclosed in the Title Commitment and the Survey to which Buyer does not object or which Buyer is deemed to have accepted pursuant to the terms and conditions of this Paragraph 4.4, other than Monetary Liens;

4.4.6.2 any liens for such taxes for the then current year as are not due and payable on the Closing Date, and any liens for municipal betterments assessed after the Effective Date; and

4.4.6.3 the provisions of any building, zoning, subdivision, and similar laws applicable to the Property.

4.5 *"As Is" Sale*. Except as expressly set forth in this Agreement, it is understood and agreed that Seller is not making and has not at any time made any warranties or representations of any kind or character, express or implied, with respect to the Property, including, but not limited to, any warranties or representations as to habitability, merchantability or fitness for a particular purpose.

4.6 *Permitting Period.* The term "Permitting Period" as used herein, shall mean the period ending at 5:00 P.M. Eastern Daylight or Standard (as applicable) Time on June 12, 2013. Buyer shall submit a pre-application for funding to the Newton Housing Partnership for funding and zoning approval within five (5) business days of the Effective Date. If Buyer has not received approval from the Newton Housing Partnership prior to the end of the Permitting Period, Buyer may terminate this Agreement by giving written notice of such election to, in which event (i) the Deposit shall be returned promptly to Buyer, and (ii) except as expressly set forth herein, neither party shall have any further liability or obligation to the other hereunder. In the absence of such written notice, Buyer shall be deemed to have waived its right to terminate this Agreement under this Paragraph 4.6, and this Agreement shall continue in full force and effect.

4.7 Buyer acknowledges and agrees that upon closing Seller shall deliver the premises free of all tenants, lessees and occupants and free of all items of personal property and in broom-clean condition and sell and convey to Buyer and Buyer shall accept the Property "*as is, where is, with all faults*" except to the extent expressly provided otherwise in this Agreement. Buyer has not relied and will not rely on, and Seller is not liable for or bound by, any express or implied warranties, guaranties, statements, representations, or information pertaining to the Property or relating thereto (including specifically, without limitation, any prospectus distributed with respect to the Property) made or furnished by Seller, the managers of the Property, or any real estate broker or agent representing or purporting to represent Seller, to whomever made or given, directly or indirectly, orally or in writing, unless specifically set forth in this Agreement. Buyer also acknowledges that the purchase price reflects and takes into account that the Property is being sold "as-is." Buyer represents to Seller that Buyer has conducted, or will conduct prior to closing, such investigations of the Property, including, but not limited to, the physical and environmental conditions thereof, as Buyer deems necessary or desirable to satisfy itself as to the condition of the Property and the existence or nonexistence or curative action to be taken with respect to any hazardous or toxic substances on or discharged from the Property, and will rely solely upon same and not upon any information provided by or on behalf of Seller or its agents or employees with respect thereto, other than such representations, warranties, and covenants of Seller as are expressly set forth in this Agreement. Upon closing, Buyer shall assume the risk that adverse matters, including, but not limited to, construction defects and adverse physical and environmental conditions, may not have been revealed by Buyer's investigations, and Buyer, upon closing, shall be deemed to have waived, relinquished and released Seller (and Seller's officers, directors, shareholders, employees and agents) from and against any and all claims, demands, causes of action (including causes of action in tort), losses, damages, liabilities, costs and expenses (including reasonable attorneys' fees) of any and every kind or

character, *known or unknown*, which Buyer might have asserted or alleged against Seller (and Seller's officers, directors, shareholders, employees and agents) at any time by reason of or arising out of any latent or patent construction defects or physical conditions, violations of any applicable laws and any and all other acts, omissions, events, circumstances or matters regarding the Property.

The provisions of this paragraph shall survive closing or any termination of this agreement.

4.8 *Buyer's Waiver and Release of Seller as to Certain Actions after Closing.* Buyer agrees that, if at any time after the Closing, any third party or any governmental agency seeks to hold Buyer responsible for the presence of, or any loss, cost or damage associated with, Hazardous Materials (as hereinafter defined) in, on, above or beneath the Property or emanating therefrom, Buyer waives any rights it may have against Seller in connection therewith including, without limitation, under CERCLA (defined below), and Buyer agrees that it shall not (i) implead the Seller, (ii) bring a contribution action or similar action against the Seller or (iii) attempt in any way to hold the Seller responsible with respect to any such matter. The provisions of this Paragraph 4.9 shall survive the Closing. As used herein, "Hazardous Materials" shall mean and include, but shall not be limited to, any petroleum product and all hazardous or toxic substances, wastes or substances, any substances which because of their quanti-tated concentration, chemical, or active, flammable, explosive, infectious or other characteristics, constitute or may reasonably be expected to constitute or contribute to a danger or hazard to public health, safety or welfare or to the environment, including, without limitation, any hazardous or toxic waste or substances which are included under or regulated by law, governmental rules or regulations (whether now existing or hereafter enacted or promulgated, as they may be amended from time to time), including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. Section 9601 et seq. ("CERCLA"), the Federal Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq., similar state laws and regulations adopted thereunder.

5. *Seller's Covenants Regarding Operation of Property.* From and after the Effective Date until the Closing or earlier termination of this Agreement, Seller agrees as follows:

5.1 *Further Encumbrances.* Seller will not grant or purport to create in favor of any third party any interest in the Property or any part thereof or further encumber the Property without the prior written approval of Buyer, which approval shall not be unreasonably withheld, conditioned, or delayed prior to the end of the Inspection Period but which may be withheld in Buyer's sole and absolute discretion after the end of the Inspection Period.

5.2 *Other Agreements*. Seller will not enter into any maintenance, management, or other service contracts relating to the Property without the prior written approval of Buyer, which approval shall not be un reasonably withheld, conditioned or delayed prior to the end of the Inspection Period but which may be withheld in Buyer's sole and absolute discretion after the end of the Inspection Period. Seller will terminate as of the Closing any existing property management agreements for the Property.

5.3 *Insurance*. Seller will continue to maintain in full force and effect all insurance as presently carried by Seller, and, if not already maintained, shall cause the fire and extended coverage insurance relating to the Property to be maintained in an amount not less than full replacement cost of the Property.

5.4 *Violations of Law*. Seller will promptly notify Buyer in writing of any violation of any law, regulation, ordinance, order, or other requirement of any governmental authority having jurisdiction over or affecting the Property, or any part thereof, of which Seller receives written notice.

5.5 *Structural Modifications*. Seller will not permit any structural modifications or additions to the Property (except to the extent required or by applicable law, as to which Seller shall give Buyer prior written notice), without the prior written consent of Buyer, which approval shall not be unreasonably withheld, conditioned or delayed prior to the end of the Inspection Period but which may be withheld in Buyer's sole and absolute discretion after the end of the Inspection Period.

5.6 *Operation of Property*. Seller shall continue to maintain, operate and manage the Property in the same manner that Seller has heretofore maintained and operated the Property.

6. *Casualty and Condemnation.*

6.1 *Casualty*. If prior to the Closing any portion of the Property (i) is damaged or destroyed by fire or other casualty, which damage is reasonably estimated to cost in excess of $50,000.00 to repair, then Buyer shall have the right, by giving Seller notice within ten (10) days after receipt of notice from Seller of such occurrence (with the Closing Date to be postponed, if necessary, to give both parties the benefit of the full ten (10) day period) to elect to: (i) terminate this Agreement, in which case the Deposit shall be returned promptly; or (ii) close the sale contemplated herein. If Buyer does not have the right to terminate this Agreement or having such right elects or is deemed to have elected not to terminate this Agreement, then this Agreement shall remain in full force and effect, and the purchase contemplated herein shall be effected without reduction in the Purchase Price. In such event, Seller shall at the Closing assign, transfer and set over unto Buyer all of Seller's right, title and interest in

and to any insurance proceeds paid or payable in connection with such damage or destruction, and Buyer shall receive a credit at Closing against the Purchase Price for the deductible amount of any such insurance.

6.2 *Condemnation.* If prior to the Closing any portion of the Property becomes subject to a bona fide threat of condemnation by a body having the power of eminent domain or condemnation, or sale in lieu thereof, which either (A) affects any portion of the Building, parking area or access driveways on the Property, or (B) is reasonably estimated to cost in excess of $50,000.00 for restoration and repair of the remaining Property, then Buyer shall have the right, by giving Seller notice within ten (10) days after receipt of notice from Seller of such occurrence (with the Closing Date to be postponed, if necessary, to give both parties the benefit of the full ten (10) day period) to elect to: (i) terminate this Agreement, in which case the Deposit shall be returned promptly to Buyer and, except as expressly set forth herein, neither party shall have any further liability or obligation to the other hereunder; or (ii) close the sale contemplated herein. If Buyer does not have the right to terminate this Agreement or having such right elects or is deemed to have elected not to terminate this Agreement, then this Agreement shall remain in full force and effect and the purchase contemplated herein, less any portion of the Property taken by eminent domain or condemnation, shall be effected without reduction in the Purchase Price. In such event, Seller shall at the Closing assign, transfer and set over unto Buyer all of Seller's right, title and interest in and to any awards paid or payable in connection with such taking.

7. *Conditions Precedent to Buyer's Obligations.*

7.1 Buyer's obligation to purchase the Property at the Closing hereunder is expressly conditioned on the satisfaction at or before the time of Closing hereunder, or at or before such earlier time as may be expressly stated below, of each of the following conditions (any one or more of which may be waived in writing in whole or in part by Buyer, at Buyer's option):

7.1.1 *Accuracy of Representations.* All of the representations and warranties of Seller contained in this Agreement shall have been true and correct in all material respects when made, and shall be true and correct in all material respects on the date of Closing with the same effect as if made on and as of such date.

7.1.2 *Performance.* Seller shall have performed, observed and complied with all material covenants, agreements and conditions required by this Agreement to be performed, observed and complied with on its part prior to or as of Closing hereunder.

7.1.3 *No Material Adverse Change.* There shall have been no material adverse change in the physical condition of the Propertyor the

laws, rules and regulations governing the use or development of the Property between the expiration of the Inspection Period and the Closing.

7.1.4 *Condition of Title.* No new encumbrances or exceptions to title have been recorded pertaining to the Property between the date of the Title Commitment and the Closing that have not been approved by Buyer or that are not removed by Seller or agreed to be removed by Seller prior to or contemporaneously with the Closing, and the Title Company is prepared to issue at the Closing an owner's policy of title insurance at commercially customary rates, subject only to the Permitted Encumbrances.

7.2 *Failure of Conditions.* In the event Seller shall not be able to convey the Property on the Closing Date in accordance with the provisions of this Agreement, then Buyer shall have the option, exercisable by written notice to Seller at or prior to Closing, of (i) accepting at Closing the Property in such condition as Seller is able, waiving any unsatisfied condition precedent, with no deduction from or adjustment of the Purchase Price, (ii) extending the Closing Date one time only for an additional five (5) business days, or (iii) terminating this Agreement, in which event the Deposit shall be returned promptly to Buyer and, except as expressly set forth herein, neither party shall have any further liability or obligation to the other hereunder.

8. *Closing; Deliveries.*

8.1 *Time of Closing.* The Closing shall take place at 12 p.m. on August, 12 2013 (the *"Closing Date"*) (subject to extension as expressly set forth herein) at the offices of the Buyer's Counsel, unless otherwise agreed to in writing by both Seller and Buyer. If any date on which the Closing would occur by operation of this Agreement is not a business day in Boston, Massachusetts, the Closing shall occur on the next business day.

8.2 *Seller Deliveries.* At Closing, Seller shall deliver to Buyer the following, and it shall be a condition to Buyer's obligation to close that Seller shall have delivered the same to Buyer:

8.2.1 A Massachusetts Quitclaim Deed (*"Deed"*) to the Property from Seller, duly executed and acknowledged by Seller.

8.2.2 A certification by Seller that all representations and warranties made by Seller in Paragraph 15 of this Agreement are true and correct in all material respects on the date of Closing, except as may be set forth in such certificate.

8.2.3 Such affidavits or letters of indemnity as the title insurer shall require in order to issue, without extra charge, an owner's policy of

title insurance free of any exceptions for unfiled mechanics' or materialmen's liens, or for rights of parties in possession.

8.2.4 A Non-Foreign Affidavit as required by the Foreign Investors in Real Property Tax Act (*"FIRPTA"*), as amended, duly executed by Seller

8.2.5 Keys (or, if applicable, security cards and/or security codes) to all doors in the Property labeled for identification.

8.2.6 All other instruments and documents reasonably required to effectuate this Agreement and the transactions contemplated thereby.

8.3 *Buyer Deliveries*. At Closing, Buyer shall deliver to Seller the following, and it shall be a condition to Seller's obligation to close that Buyer shall have delivered the same to Seller:

8.3.1 Funds by wire transfer or certified check in the amount required under Paragraph 2.2 hereof (subject to the adjustments provided for in this Agreement).

8.3.2 A certification by Buyer that all representations and warranties made by Buyer in Paragraph 16 of this Agreement are true and correct in all material respects on the date of Closing, except as may be set forth in such certificate.

8.3.3 All other instruments and documents reasonably required to effectuate this Agreement and the transactions contemplated thereby.

9. *Apportionments; Taxes; Expenses*.

9.1 *Apportionments*.

9.1.1 *Taxes*. All real estate taxes, charges and assessments affecting the Property not being paid directly by tenants (*"Taxes"*), and all operating expenses for the Property shall be prorated on a per diem basis as of the Closing Date. If any Taxes have not been finally assessed as of the Closing Date for the current fiscal year of the taxing authority, then the same shall be adjusted at Closing based upon the most recently issued bills therefor, and shall be readjusted when final bills are issuedBuyer hereby agrees to assume all nondelinquent assessments affecting the Property, whether special or general.

9.1.2 *Utilities*. Utilities, including water, sewer, electric and gas shall be prorated based upon the last reading of meters prior to the Closing.

Seller shall endeavor to obtain meter readings on the day before the Closing Date, and, if such readings are obtained, there shall be no proration of such items. Seller shall pay at Closing the bills therefor for the period ending on the day preceding the Closing Date, and Buyer shall pay the bills therefor for the period subsequent thereto. If the utility company will not issue separate bills, Buyer will receive a credit against the Purchase Price for Seller's portion and will pay the entire bill prior to delinquency after Closing. If Seller has paid any utilities no more than thirty (30) days in advance in the ordinary course of business, then Buyer shall be charged its portion of such payment at Closing. Utility deposits shall not be subject to proration; rather, Seller shall be entitled to receive refunds of any deposits it has made, and Buyer shall be responsible for posting its own deposits.

9.1.3 *Expenses*. Each party will pay all its own expenses incurred in connection with this Agreement and the transactions contemplated hereby, including, without limitation, (1) all costs and expenses stated herein to be borne by a party, and (2) all of their respective accounting, legal and appraisal fees. Buyer, in addition to its other expenses, shall pay at Closing (1) all recording charges incident to the recording of the deed for the Property; and (2) the premium for Buyer's title insurance policy. Seller, in addition to its other expenses, shall pay at Closing (1) all documentary stamps, excise taxes and real estate transfer taxes, and (2) all recording charges incident to the recording of any instruments to discharge or remove encumbrances not approved (or deemed approved) by Buyer.

10. *Buyer Default*. In the event Buyer breaches or fails, without legal excuse, to complete the purchase of the Property or to perform its obligations under this Agreement, then, except as otherwise expressly set forth in this Agreement, Seller shall, as its sole remedy therefor, be entitled to receive the Deposit as liquidated damages (and not as a penalty) in lieu of, and as full compensation for, all other rights or claims of Seller against Buyer by reason of such default, upon receipt of which this Agreement shall terminate and the parties shall be relieved of all further obligations and liabilities hereunder, except as expressly set forth herein. Buyer and Seller acknowledge that the damages to Seller resulting from Buyer's breach would be difficult, if not impossible, to ascertain with any accuracy, and that the liquidated damage amount set forth in this Paragraph represents both parties' best efforts to approximate such potential damages.

11. *Confidentiality*. Buyer agrees to keep confidential and not to use, other than in connection with its determination whether to proceed with the purchase of the Property in accordance with the terms and conditions of this Agreement, any of the documents, material or information regarding the Property supplied to Buyer by Seller or by any third party at Seller's request, including, without limitation, any environmental site assessment reports furnished to Buyer, except to Buyer's, attorneys, accountants, consultants, investors and lenders on a "need to know" basis, unless Buyer is compelled to disclose

such documents, material or information by law or by subpoena. In the event that the Closing does not occur in accordance with the terms of this Agreement, Buyer shall return to Seller all of the documents, material or information regarding the Property supplied to Buyer by Seller or at the request of Seller. The provisions of this Paragraph 11 shall survive the termination of this Agreement but shall no longer be applicable following Closing in accordance with the terms of this Agreement.

12. *Possession.* Possession of the Property shall be surrendered to Buyer at Closing, subject to the Permitted Encumbrances and shall be delivered free of all items of personal property and in broom-clean condition.

13. *Notices.* All notices and other communications provided for herein shall be in writing and shall be sent to the address set forth below (or such other address as a party may hereafter designate for itself by notice to the other parties as required hereby) of the party for whom such notice or communication is in tended:

If to Seller:
Hospice of the Good Shepherd, Incorporated
2042 Beacon Street
Waban, MA 02168
Fax No.: 617-928-1450
Attention: Timothy Boon

with a copy to: Seegel Lipshutz & Lo, LLP
80 William Street, Suite 200
Wellesley, MA 02481
Fax No.: 781-431-7701
Attention: David M. Lipshutz, Esq.

If to Buyer:
Metro West Collaborative Development, Inc.
63 Mt. Auburn Street
Watertown, MA 02472
Fax No.: (617) 927-8241
Attention: Steve Laferriere
with a copy to: James L. Buechl, Esq.
Seven Faneuil Hall Marketplace
North Market Building, 3rd
Boston, MA 02109
Fax No.: (617) 523-1466

If to the Broker to:
Saint James RE Advisors, LLC
101 Federal Street, Suite 1900
Boston, MA 02110
Fax No.: _____

Attention: Lisa DonFrancesco

Any such notice or communication shall be sufficient if sent by registered or certified mail, return receipt requested, postage prepaid; by hand delivery; by overnight courier service; or by telecopy, with an original by regular mail. Any such notice or communication shall be effective when delivery is received or refused.

14. *Brokers*. Buyer and Seller each represents to the other that it has not dealt with any broker or agent in connection with this transaction other than Broker. Seller shall be responsible for the payment of the Broker's fee of $22,500.00. Each party hereby indemnifies and holds harmless the other party from all loss, cost and expense (including reasonable attorneys' fees) arising out of a breach of its representation or undertaking set forth in this Paragraph 14. The provisions of this Paragraph 14 shall survive Closing or the termination of this Agreement.

15. *Representations and Warranties of Seller*.

15.1 Subject to all matters disclosed in any document delivered to Buyer by Seller or on any exhibit attached hereto, and subject to any information discovered by Buyer or other information disclosed to Buyer by Seller or any other person after the Effective Date and prior to the Closing, including, without limitation, any information contained in the Survey or the Title Commitment (all such matters being referred to herein as *"Exception Matters"*), Seller represents and warrants to Buyer as follows:

15.1.1 *Authority*. Seller is a Massachusetts non-profit corporation duly organized and validly existing under the laws of Commonwealth and has all requisite power and authority to enter into this Agreement and perform its obligations hereunder. The execution and delivery of this Agreement have been duly authorized.

15.1.2 *No Conflict*. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereunder on the part of Seller do not and will not conflict with or result in the breach of any material terms or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge, or encumbrance upon any of the Property or as sets of the Seller by reason of the terms of any contract, mortgage, lien, lease, agreement, indenture, instrument or judgment to which Seller is a party or which is or purports to be binding upon Seller or which otherwise affects Seller, which will not be discharged, assumed or released at Closing. No action by any federal, state, municipal or other governmental department, commission, board, bureau or instrumentality is necessary to make this Agreement a valid instrument binding upon Seller in accordance with its terms.

15.1.3 *Bankruptcy*. Seller has not (i) commenced a voluntary case, or had entered against it a petition, for relief under any federal bankruptcy act or any similar petition, order or decree under any federal or state law or statute relative to bankruptcy, insolvency or other relief for debtors, or (ii) caused, suffered or consented to the appointment of a receiver, trustee, administrator, conservator, liquidator or similar official in any federal, state or foreign judicial or nonjudicial proceeding, to hold, administer and/or liquidate all or substantially all of its assets.

15.1.4 *No Condemnation*. There are no pending or, to Seller's knowledge, contemplated condemnation, eminent domain or similar proceedings with respect to all or any portion of the Property.

15.1.5 *Compliance*. Seller has not received written notice of any existing violations of any federal, state, county or municipal laws, ordinances, orders, codes, regulations or requirements affecting the Property which have not been cured.

15.1.6 *Litigation*. There is no action, suit or proceeding pending or, to the best of Seller's actual knowledge, threatened against or affecting the Property, or arising out of the ownership, management or operation of the Property, this Agreement or the transactions contemplated hereby.

15.1.6.1 *Hazardous Materials*. Seller has delivered to Buyer true and complete copies of all reports, studies and assessments regarding environmental conditions relating to the Property in Seller's possession or control, and, to the best of Seller's knowledge, (i) the Property, or any part thereof, has never been used as a sanitary landfill or waste dump site; (ii) no underground tanks are present on the Property; (iii) there is no litigation with respect to the Property relating to environmental law violations; and (iv) no notice of violation or other writ ten communication has been received by Seller from a government agency or any other person or entity alleging or suggesting an environmental law violation on the Property.

15.1.6.2 *Other Agreements*. Other than the Permitted Encumbrances, and any other existing agreement pertaining to the Property a copy of which shall be delivered by Seller to Buyer during Inspection Period, there are no other written agreements affecting the Property to which Seller is party that will be binding on Buyer. Seller has not entered into, and will not during the term of this Agreement enter

into, any other agreement giving any other party a right to purchase the Property.

15.1.6.3 *FIRPTA*. Seller is not a "foreign person" as defined in Section 1445(f)(3) of the Internal Revenue Code.

15.2 *Definition of Seller's Knowledge*. As used in this Agreement, or in any other agreement, document, certificate or instrument delivered by Seller to Buyer, the phrase "to the best of Seller's actual knowledge," "to the best of Seller's knowledge" or any similar phrase shall mean the actual, not constructive or imputed, knowledge of the Seller without any obligation on its part to make any independent investigation of the matters being represented and warranted, or to make any inquiry of any other persons, or to search or examine any files, records, books, correspondence and the like.

15.3 The sale contemplated herein will not result in the sale of all or substantially all of the Seller's assets within the Commonwealth of Massachusetts.

16. *Representations of Buyer*. Buyer represents and warrants that:

16.1 *Authority*. Buyer is a Massachusetts non-profit, duly organized, validly existing and in good standing under the laws of Massachusetts and has all requisite power and authority to enter into this Agreement and to perform its obligations hereunder. The execution and delivery of this Agreement by Buyer has been duly authorized.

16.2 *No Conflict*. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereunder on the part of Buyer does not and will not violate any applicable law, ordinance, statute, rule, regulation, order, decree or judgment, conflict with or result in the breach of any material terms or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge, or encumbrance upon any of the property or assets of the Buyer by reason of the terms of any contract, mortgage, lien, lease, agreement, indenture, instrument or judgment to which Buyer is a party or which is or purports to be binding upon Buyer or which otherwise affects Buyer, which will not be discharged, assumed or released at Closing. No action by any federal, state or municipal or other governmental department, commission, board, bureau or instrumentality is necessary to make this Agreement a valid instrument binding upon Buyer in accordance with its terms.

17. *Miscellaneous*.

17.1 *Assignability*. Buyer may not assign or transfer all or any portion of its rights or obligations under this Agreement to any other individual or entity without the consent thereto by Seller, except that Buyer may assign or

transfer such rights and obligations to an entity controlling, controlled by or under common control with Buyer without Seller's consent, but with prior notice to Seller. Notwithstanding any such assignment consented to by Seller or permitted here-under, the Buyer named in this Agreement shall remain primarily liable for the obligations of Buyer set forth in this Agreement. No assignment or transfer by Buyer will be permitted if such assignment or transfer would, in Seller's opinion, cause this transaction to violate any provision of applicable law.

17.2 *Governing Law; Bind and Inure.* This Agreement shall be governed by the law of Massachusetts and shall bind and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors, assigns and personal representatives.

17.3 *Recording.* This Agreement or any notice or memorandum hereof shall not be recorded in any public record. A violation of this prohibition by Buyer shall constitute a material breach of this Agreement by Buyer, entitling Seller to terminate this Agreement and retain the Deposit.

17.4 *Time of the Essence.* Time is of the essence of this Agreement.

17.5 *Headings.* The headings preceding the text of the paragraphs and subparagraphs hereof are inserted solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or effect.

17.6 *Counterparts.* This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

17.7 *Exhibits.* All Exhibits which are referred to herein and which are attached hereto constitute a part of this Agreement.

17.8 *Survival.* Unless otherwise expressly stated in this Agreement, each of the warranties and representations of Seller and Buyer shall not survive the Closing and delivery of the Deed and other closing documents by Seller to Buyer, and shall be deemed to have merged therewith. Unless expressly made to survive, all obligations and covenants of Seller contained herein shall be deemed to have been merged into the Deed and shall not survive the Closing.

17.9 *Use of Proceeds to Clear Title.* To enable Seller to make conveyance as herein provided, Seller may, at the time of Closing, use the Purchase Price or any portion thereof to clear the title of any or all encumbrances or interests, provided that provision reasonably satisfactory to the Title Company and Buyer's attorney is made for prompt recording of all instruments so procured in accordance with conveyancing practice in the jurisdiction in which the Property is located.

17.10 *Submission not an Offer or Option.* The submission of this Agreement or a summary of some or all of its provisions for examination or negotiation by Buyer or Seller does not constitute an offer by Seller or Buyer to enter into an agreement to sell or purchase the Property, and neither party shall be bound to the other with respect to any such purchase and sale until a definitive agreement satisfactory to the Buyer and Seller in their sole discretion is executed and delivered by both Seller and Buyer.

17.11 *Entire Agreement; Amendments.* This Agreement and the Exhibit hereto set forth all of the promises, covenants, agreements, conditions and under takings between the parties hereto with respect to the subject matter hereof, and supersede all prior and contemporaneous agreements and understandings, inducements or conditions, express or implied, oral or written, except as contained here in. This Agreement may not be changed orally but only by an agreement in writing, duly executed by or on behalf of the party or parties against whom enforcement of any waiver, change, modification, consent or discharge is sought.

17.12 *Compliance with Federal Laws; OFAC.* Each of Buyer and Seller (each, a *"Representing Party"*) represents and warrants to the other (i) that neither the Representing Party, nor any owner of a beneficial interest in it, nor any of its officers, directors, managers or managing members is a person or entity (each, a "Prohibited Person") with whom U.S. persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control (*"OFAC"*) of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List) or under any statute, executive order (including Executive Order 13224 (the *"Executive Order")* signed on September 23, 2001 and entitled "Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism"), or other governmental action, (ii) that the Representing Party's activities do not violate the International Money Laundering Abatement and Financial Anti-Terrorism Act of 2001 or the regulations or orders promulgated thereunder (as amended from time to time, the *"Money Laundering Act"*), and (iii) that throughout the term of this Agreement the Representing Party shall comply with the Executive Order and with the Money Laundering Act.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the date first above written.

SELLER:
Hospice of the Good Shepherd, Incorporated

By: _____
Timothy Boon, President

BUYER:
Metro West Collaborative Development, Inc.

By: _____
Jennifer VanCampen,

Executive Director

EXHIBIT A

Description of the Land

2042530

DRAFT AFFIRMATIVE FAIR HOUSING MARKETING PLAN

April 2, 2013

I. PROJECT INFORMATION

A. Project Name: 2044 Beacon Street

Address: 2044 Beacon Street, Waban, MA 02468

B. Developer Name: Metro West Collaborative Development

Address: Tel:
Fax:

C. Owner Name: Metro West Collaborative Development

Address: Tel:
Fax:

D. Sponsor Name: Metro West Collaborative Development

Address:

E. Agent/Officer authorized and responsible for carrying out AFHMP: Pine Street Inn

Address: 82 Green Street
Jamaica Plain, MA 02130

Tel: 617-892-8702
Fax: 617-524-7821

F. Number of Units and Project Rent

TYPE	Studio	1-BR	2 - BR	3 - BR
Vouchers, below 30% of median*				
RENT / SALES				
Tax Credit**				
High HOME, below 60% of median ***				
RENT / SALES				
Unit Totals = 10*	10			
Wheelchair Accessible				

Rents shown are maximum gross rents

* There are a total of 10 studio units

G. Construction Type:

H. Federal, State and Local Funding Sources

I. Unit Affordability and Household Income Guidelines

- If a rental development, is state or federal rental subsidy available?

  If yes, what type? # of Units

  If yes, indicate eligibility income limits:

2012 INCOME LIMITS (subject to change)

Maximum Income Limit	1 Person	2 Person
30%	$20,550	$23,500
60%	$41,100	$46,980

II. MARKETING PLAN

2044 Beacon Street has a total of 10 units, ___ affordable to households with incomes at or below 60% AMI and ____ affordable to households with incomes at or below 30% AMI.

2044 Beacon Street will have _____ (___) Project-Based Rental Assistance Vouchers through the Metropolitan Boston Housing Authority (MBHP). Vouchers will be used to serve households with incomes at or below 30% AMI.

The following groups in the housing market are least likely to apply for the housing because of its location and other factors without special outreach efforts: _____
Media Resources and Organizations and Agencies have been selected so as to target marketing towards those groups least likely to apply.

Media Resources

Name of Newspaper, Radio or TV Station	Racial/Ethnic Market
1.	
2.	
3.	
4.	
5.	
6.	

A. Organizations and Agencies

Organization Name	Address	CONSTITUENCY

B. Marketing Activities

Metro West Collaborative Development and Pine Street Inn, its designated agent, will comply with all Federal, State and local fair housing and civil rights laws and with all Equal Opportunity requirements. This applies to accepting and processing applications, selecting tenants from among eligible applicants of the waiting list, assigning units, and certifying and recertifying eligibility for assistance.

For the sake of simplicity, all activities will be described as being conducted by Pine Street Inn, the designated agent for Metro West Collaborative Development.

All persons who will be handling and/or processing rental applications will be trained in procedures and policy matters, mindful of relevant federal, state and municipal orders, laws, and statutes dealing with civil rights and fair housing.

The supervisory staff persons of the Management Agent have direct responsibility for oversight of 2044 Beacon Street and will be responsible for administering all training required by this program.

Pine Street Inn will notify all listed agencies about the project and will advertise it in all listed newspapers.

Prior to the completion of construction of 2044 Beacon Street, Pine Street Inn will create a pool of applicants through advertising and outreach utilizing the agencies and media contacts listed above.

Initial notification may be followed up by telephone contact or other personal contact at the organization(s). Marketing personnel will assess outreach response and repeat the notification process as needed on an ongoing basis.

The advertising component of marketing will include the following:

1. The Fair Housing Logo shall be prominently displayed in the management office.

2. All brochures, pamphlets and other literature will display the Fair Housing and Barrier-Free logos.

3. All brochures, pamphlets and other literature will state: “2044 Beacon Street and Pine Street Inn do not discriminate because of race, color, sex, sexual orientation, religion, age, handicap, disability, national origin, familial status, or marital status in the leasing, rental, sale or transfer of apartment units, buildings, and related facilities, including land that they own or control.”

4. If human likenesses or models are used, they will reflect a mix of minority and majority models which reflect the affirmative fair marketing goals for the project. All marketing material, including brochures, leaflets and stationary will include the Fair Housing logo and the words “Equal Housing Opportunity.”

III. APPLICATION PROCESS

Applications will be available beginning _____ thru _____from 9:00 AM to 5:00 PM, on Mondays, Wednesdays, Thursdays and Fridays; and 9:00 AM to 7:00 PM on Tuesdays, at location TBD and 82 Green Street, Jamaica Plain, MA 02130. They will also be available online at _____ . For applicants requesting a reasonable accommodation (self certifying), applications will be mailed upon request. Assistance will be provided as needed to applicants in completing said applications. Every person will have the right to apply for housing. For those applicants that do not speak English, access to appropriate linguistic services will be provided.

All applicants will be provided with literature pertaining to 2044 Beacon Street and the income limits, unit sizes and rent schedule.

Final date to submit applications is _____. Those applicants excluded from the lottery will be notified by mail of the reasons and of the appeal process.

If the number of applications received is larger than the number of units, acceptance for a unit or placement on the waiting list will be determined by lottery. Applicants will be advised of the date, time, and location of the lottery and at least two witnesses not directly involved in the project will be present. The lottery process is described later in this Plan.

A written application form will be used for all applications. Accommodations will be made to assist applicants who are not literate. No person may be refused the right to submit an application, and translation services and/or writing assistance will be provided to any applicant who requests it for the purpose of completing the application.

Deadline for applications submission is _____.

Applications that have been mailed pursuant to a Reasonable Accommodation request must be postmarked by _____. Applications postmarked after that date will be considered late and not eligible for the lottery.

After a completed application is received, it will be checked for completeness and eligibility. Initial eligibility determinations are made based on current information provided by the applicant.

An applicant found ineligible shall be notified 10 calendar days in advance of the lottery and shall be given the reasons why he/she is ineligible. Ineligible applicants shall be given the opportunity to submit further information within five days of receipt of the notice. If the preliminary determination is incorrect, the applicant shall be included in the lottery. All eligible applicants shall be notified of their eligibility and of the date and location of the lottery.

III. RESIDENT SELECTION PLAN

2044 Beacon Street will consist of 10 units of affordable housing located in a renovate building on the site of a former _____.

A. Determination of Eligibility

1. Income

- To meet _____ requirements, 100% of the 10 households must have an income at or below __% of the area median income.

2. Household Size

All units are studio apartments. Applicants will be eligible for units with bedroom sizes appropriate to their household size based on HUD occupancy guidelines.

- ♦ Household size must comply with unit size based on the current State Sanitary Code Minimum Square Footage Requirements (see 105 CMR 400) or any applicable Federal regulations or requirements.

EXAMPLE
Massachusetts State Sanitary Code Minimum Square Footage Requirements

# Occupants	S.F. Per Bedroom*	Total Habitable Area*
1	70 sq. ft.	150 sq. ft.
2	100 sq. ft.	250 sq. ft.
3	150 sq. ft.	350 sq. ft.

*Square footage excludes bathrooms, connecting hallways, closets and laundry rooms.

Acceptance of a unit at maximum occupancy does not give the tenant the right to claim overcrowded conditions and request a transfer to a larger unit, unless the family size changes.

Depending on family circumstances, occupancy is usually based on two people per bedroom unless the square footage allows or requires otherwise. However, to the extent that it is possible, Agent shall follow the guidelines below in assigning Affordable Units:

a. First Preference. Within an applicant pool first preference shall be given to households requiring the total number of bedrooms in the unit based on the following criteria:

   i. There is at least one occupant and no more than two occupants per bedroom.

   ii. A husband and wife, or those in a similar living arrangement, shall be required to share a bedroom. Other household members may share but shall not be required to share a bedroom.

iii. A person described in the first sentence of (b) shall not be required to share a bedroom if a consequence of sharing would be a severe adverse impact on his or her mental or physical health and the Agent receives reliable medical documentation as to such impact of sharing.

b. Second Preference. Within an applicant pool second preference shall be given to households requiring the number of bedrooms in the unit minus one, based on the above criteria.

c. Third preference shall be given to households requiring the number of bedrooms in the unit minus two, based on the above criteria.

3. Applicant Suitability and Standards for Rejection

Any otherwise qualified applicant is deemed acceptable for occupancy unless specific information or facts, as provided by the applicant, references, credit history, or criminal background report show one or more of the following:

a) The applicant, or household member, has disturbed a neighbor or neighbors in a prior residence by behavior, which if repeated by a tenant, would substantially interfere with the rights of other tenants to peaceful enjoyment of their units.

b) The applicant, or a household member, has caused damage or destruction of property at a prior residence, and such damage or destruction of property, if repeated, would have a material adverse effect on the housing development or any unit in such development.

c) The applicant or a household member has displayed living habits or poor housekeeping at a prior residence, and such living habits or poor housekeeping, if repeated by a tenant, would pose a substantial threat to the health or safety of the tenant or other tenants or would adversely affect the decent, safe and sanitary condition of all or part of the housing.

d) The applicant or household member in the past has engaged in criminal activity, or activity in violation of M.G.L. c. 151B, §4, which if repeated by a tenant, would interfere with or threaten the rights of other tenants to be secure in their persons or in their property or with the rights of other tenants to the peaceful enjoyment of their units and the common areas of the housing development.

e) The applicant or any household member who will be assuming part of the rent obligation has a history of non-payment of rent and such non-payment, if repeated by a tenant, would cause monetary loss; provided, however, that if the applicant or household member paid at least 50% of his/her household's monthly income for rent each month during a tenancy but was unable to pay the full rent, an eviction for non-payment of the balance shall not disqualify such individual from housing pursuant to this paragraph.

f) The applicant or a household member has a history of failure to meet material lease terms or the equivalent at one or more prior residences, and such failure if repeated by a tenant, would be detrimental to the housing development or to the health, safety, security or peaceful enjoyment of other tenants.

g) The applicant has failed to provide information reasonably necessary for the housing provider to process the applicant's application.

h) The applicant has misrepresented or falsified any information required to be submitted as part of the applicant's application or a prior application submitted within the last three years, and the applicant fails to establish that the misrepresentation or falsification was unintentional.

i) The applicant, or a household member, has directed abusive or threatening behavior which was unreasonable and unwarranted towards a management agent's employee during the application process or any prior application process within three (3) years.

j) The applicant does not intend to occupy housing, if offered, as his/her primary residence.

k) The applicant or household member is a current illegal user of one or more controlled substances as defined in M.G.L. c. 94C §1. A person's illegal use or possession of a controlled substance within the preceding twelve months shall create a presumption that such person is a current illegal user of a controlled substance, but the presumption may be overcome by a convincing showing that the person has permanently ceased all illegal use of controlled substances. This disqualification of current illegal users of controlled substances shall not apply to applicants for housing provided through a treatment program for illegal users of controlled substances

l) The applicant requires unit size of greater than a studio unit.

m) The Applicants Household income is above the approved income limits.

n) The Applicants Household income to rent ratio is no more than 40% in absence of a subsidy or voucher.

o) The Applicant has a poor credit history and is unable to provide a favorable prior landlord reference.

p) Any household member has been evicted for drug-related criminal activity within the past three years.

q) Any household member is currently engaging in illegal drug use.

r) The Owner determines that there is reasonable cause to believe that a household member's illegal use or a pattern of illegal use of a drug may interfere with the health, safety, or right to peaceful enjoyment of the premises by other

residents. (Examples of evidence of illegal activities may include a conviction record, former landlord references, etc.)

s) Any member of the household is subject to a lifetime registration requirement under a state sex offender registration program. In accordance with Federal law, Owners shall establish standards that prohibit admission to any Federally-assisted property to sex offenders subject to a lifetime registration requirement under a state sex offender registration program.

t) The Owner determines that there is reasonable cause to believe that a household member's abuse or pattern of abuse of alcohol interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents.

Appeals Process

Any applicant who is refused housing based on these Standards for Rejection will be notified in writing of the reasons for the rejection. The letter will contain the statement: "If you believe you have been discriminated against in seeking housing, you should contact the Massachusetts Commission Against Discrimination, Tel. (617) 727-3990 and the U.S. Department of Housing and Urban Development, Tel. (617) 994-8300.

Rejected households will receive written notification containing the reason(s) for rejection based on the housing eligibility and tenant suitability criteria. They will be provided with an opportunity to appeal within 14 calendar days from the date of the notification letter. Each rejected applicant and his/her designee has the right to appear before an Appeals Committee to be chaired by a senior member of the Management Agent who is not involved in the day to day operations of the housing development. At least one member of the committee will be a neutral party such as a representative of a community-based non-profit agency. At the hearing, the rejected applicant and/or his/her designee may present supporting information relevant to the reason for rejection. A final decision will be rendered by the committee, in writing, within five business days from the date of the hearing. The letter to the applicant will state their new status, if any, and give reason(s) for the decision. Appeals will be completed prior to the time unit offers are made; or the unit(s) will be held on reserve, pending outcome of the appeal(s).

B. Preferences/Income Restrictions

A. All _____ units will be reserved for households at or below __**%** of area median income.

B. The Owner will provide tenant selection preferences:

1. Accessibility:

Those applicants that require the features of an accessible unit will have preference for this one unit.) Applicants that require the features of a sensory impaired unit will have preference for that unit.

2. Homelessness

The Massachusetts Department of Housing and Community Development defines homeless as follows: The applicant;

(a) Lacks a fixed, regular, and adequate nighttime residence and has a primary nighttime residence that is either:

- A supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and *transitional housing*);
- An institution in which they have been residents for more than 30 consecutive days and no subsequent residences have been identified and they lack the resources and support networks needed to obtain access to housing;
- A public or private place not designed for, or ordinarily used as, a regular sleeping place for human beings.

OR

(b) Meets all three of the following criteria:

- The family is in imminent danger of losing housing, or has lost housing and is
temporarily doubled up, and
- Due to the *health or environmental needs* of the family there is no appropriate temporary shelter, and
- Placement in another setting would endanger the health or safety of the family or the occupants of the shelter.
- Health or environmental needs of this type could apply to individuals with demanding medical needs, including: the elderly, the terminally ill, and individuals denied access to shelters due to a life-threatening illness or the need for a barrier-free environment.

3. A limited local preference for 50% of the _____ units (_ units) is allowed.

Allowable local preference categories are as follows:

a. Current residents: A household in which one or more members is living in the city or town at the time of application. Documentation of residency should be provided, such as rent receipts, utility bills, street listing or voter registration listing.

b. Municipal Employees: Employees of the municipality, such as teachers, janitors, firefighters, police officers, librarians, or town hall employees.

c. Employees of Local Businesses: Employees of businesses located in the municipality.

d. Households with children attending the locality's schools, such as METCO students.

- When determining the preference categories, the geographic boundaries of the local resident preference area should not be smaller than municipal boundaries.

- Durational requirements related to local preferences, that is, how long an applicant has lived in or worked in the residency preference area, are not permitted in any case.

- Preferences extended to local residents should also be made available not only to applicants who work in the preference area, but also to applicants who have been hired to work in the preference area, applicants who demonstrate that they expect to live in the preference area because of a bona fide offer of employment, and applicant households with children attending the locality's schools, such as METCO students.

- A preference for households that work in the community must not discriminate (including have a disproportionate effect of exclusion) against disabled and elderly households in violation of fair housing laws.

4.. All PBV units have been designated as **"Supportive Housing Units".** Applicants must be determined eligible for supportive housing in accordance with DHCD's Section 8 PBV Administrative Plan (sections 31.2.8.2 through 31.2.8.2.3).

- All selected tenants for the supportive housing units must execute the Contract of Family Participation document.

C. **Lottery Process:**

A lottery will be used to determine the order of selection of qualified candidates. Applicants who have submitted a completed application by the deadline will be placed in the lottery and the lottery will be done in accordance with guidelines set forth by the Department of Housing and Community Development.

Prior to Lottery:

1. Applicant Log: PSI will maintain a log that contains the date each person picked up, or was mailed, an application. This log should contain each person's name and address and also the date the application was returned.

2. Preliminary Screening: Conduct preliminary screening to ensure that each application meets standard threshold criteria.

- The application has been filled out completely.
- The income indicated is within the limits prescribed by the DHCD..

    a. Notify applicants who have not met threshold criteria. These applicants should be given an opportunity to clarify their application if it would change their eligibility status prior to holding the lottery.

    b. All applicants who meet standard threshold criteria are notified that they are eligible to participate in the lottery, and are informed of the lottery date. They may be invited to attend.

3. PSI provides ten (10) days notice, by mail, fax, or e-mail to schedule the lottery date, time, and location. The lottery should have at least two witnesses not connected with the developer.

On the Day of the Lottery:

4. The applications, or cards bearing each applicant's name, I.D. code, or other identifier are all placed in one receptacle.

5. One manual lottery is held to determine each applicant's rank order for selection.

6. As each application/card is drawn from the receptacle, the number of the draw is announced and indicated on a master list, as well as on the application/card. For example, the first application/card drawn will be indicated as #1 on the master list; and the application/card will be marked with a #1.

7. The official witnesses should sign their names and affiliations as present at the lottery drawing. If the lottery is open to the public, please include the names of all persons present.

After the Lottery:

8. PSI will use the master list in assigning each application to its appropriate pool; *e.g.*, the applications will be sorted, by income, bedroom size, preference category, or other qualifier (such as a pool for households who require wheelchair-accessible unit).

9. Each applicant's rank order from the master list will determine where his/her application fits in the appropriate pool. For example, the first household that qualifies for a studio at 30% of median income may be the sixth applicant pulled from the receptacle in the manual lottery, but the first applicant in the 30% studio pool. **Note**: In the event that there is not a separate pool for households who require wheelchair-accessible units, first preference in an income-designated pool will be given to the household who requires a wheelchair-accessible unit, if one is available.

10. The lottery list and the applicant pools must be approved before the applications are screened.

11. PSI shall screen the applications at the top of the lowest income pool first. Screening may consist of verifying income, conducting landlord reference and credit checks, and other approved screening. See Income Verification Process.

12. In the event that an applicant does not meet the lowest income eligibility requirements for the pool in which the applicant has been placed, his/her application is then transferred to the pool for which the applicant qualifies. The application is placed in the appropriate pool in rank order.

13. If the selected applicant does not pass final screening or decides not to purchase or rent a unit, PSI shall move to the next ranked applicant for that specific pool.

14. When PSI conducts final screening and rejects an applicant, the applicant should be notified of the reason and given at least fourteen (14) days to appeal the determination. Applicants must also be notified of their right to contact DHCD, HUD, or the MCAD, if they believe discrimination took place.

15. Prior to unit offers, the developer/agent compiles a list, in rank order, which includes:

- Each applicant's name
- Selection status (approved for housing, or reason why they failed screening)
- Household size and Bedroom size
- Income category
- Race

AFFIRMATIVE MARKETING TIMELINE

Project Name: 2044 Beacon Street

Contact Person: Ralph Hughes Telephone: (617) 617-892-8702

	Start	End
Construction		
Affirmative Marketing*		
General Marketing*		
Application Taking**		
Initial Screening		
Lottery Date***		
Final Tenants Selected		
Occupancy		

*DHCD requires ads to be placed a minimum of 2 times over a 60 day period.
**Application period is required to be at least 60 days
***Lottery if necessary (if eligible applicants exceed the number of units)

ATTACHMENTS:

-Sample Advertisement for Print Media and Local Organization Distribution
-Application

Draft Advertisement
2044 Beacon Street
Waban, MA 02468

(Rents are contract rents based upon current 2012 rent limits, with a window of affordability – may change prior to advertising based on current rents)

# of Units	Type	60% AMI Rent	HH Size
	Studio	30% of income	1-2

Contract rent for 8 project based voucher units are:
(Eligible Households pay 30% of their income towards rent)

# of Units	Type	PBV Rent	HH Size
	Studio	30% of income	1-2

Maximum Income Per Household Size (2012 Limits)

HH Size	30%	60%
1	$20,550	$41,100
2	$23,500	$46,980

Applications can be found online at www._____ or picked up in person only _____ or 82 Green Street, Jamaica Plain, MA 02130:
Monday- Friday
_____ through _____
9 am- 5 pm, Mondays and Wednesdays through Fridays & Tuesdays until 7 pm

Deadline for completed applications at the above address:
In person only by 4pm, _____
Selection by lottery
Use and Occupancy Restrictions apply.
Handicap households have preference for accessible units.

For more info or reasonable accommodations,
call Pine Street Inn
617-892-8708

EQUAL HOUSING OPPORTUNITY **Equal Housing Opportunity**

Pine Street Inn
Ending Homelessness

PAUL SULLIVAN HOUSING
Tenant Management Office
82 Green Street
Jamaica Plain, MA 02130
PHONE: (617) 892-8708
FAX: (617) 524-7821

2044 Beacon Street
Waban MA 02468

APPLICATION

This residence consists of 10 studio units with private bath and kitchenette.

Complete applications must be delivered in person to 82 Green Street, Jamaica Plain, MA 02130, faxed or postmarked by _____ by 5:00 PM.

1. GENERAL INFORMATION – (please print clearly)

Applicant Name: _____

Current Address: _____
(Street) (Apt))

_____
(State) (City) (Zip Code)

Home Telephone No.:_____ Work Telephone No.: _____

OTHER CONTACT INFORMATION – (please print clearly)

Sponsoring Agency: _____

Contact Person: _____ Relationship: ___

Address: ___ Telephone:
_____

4. INCOME: LIST ALL SOURCES OF INCOME:

List ALL sources of income for all household members. All income information will be verified with third parties.

Source of Income			Gross Monthly Amount
Employment	☐ Yes	☐ No	$
SSI	☐ Yes	☐ No	$
Social Security	☐ Yes	☐ No	$
TANF/Public Assistance	☐ Yes	☐ No	$
Do you receive Child Support	☐ Yes	☐ No	$
Are you entitled to receive Child Support	☐ Yes	☐ No	$
Do you receive Alimony	☐ Yes	☐ No	$
Are you entitled to receive Alimony	☐ Yes	☐ No	$
Unemployment	☐ Yes	☐ No	$
Worker's Compensation	☐ Yes	☐ No	$
Disability	☐ Yes	☐ No	$
Pension/Annuity	☐ Yes	☐ No	$
Veterans Benefits	☐ Yes	☐ No	$
Military Pay	☐ Yes	☐ No	$
Net Income from Business	☐ Yes	☐ No	$
Contributions from Friends/Relatives	☐ Yes	☐ No	$
Income from Assets	☐ Yes	☐ No	$
Other Income	☐ Yes	☐ No	$
** Grants or Scholarships	☐ Yes	☐ No	$

Do you have any of the following assets?

Checking Accounts	☐ Yes	☐ No
Savings Accounts	☐ Yes	☐ No
Certificates of Deposit	☐ Yes	☐ No
IRA	☐ Yes	☐ No
Other Retirement Funds	☐ Yes	☐ No
Other Current Assets (Cash, etc.?)	☐ Yes	☐ No

Stocks or Bonds	☐ Yes	☐ No
Mutual Funds	☐ Yes	☐ No
Trust Accounts	☐ Yes	☐ No
Life Insurance	☐ Yes	☐ No
Real Estate	☐ Yes	☐ No

Information provided above only serves to determine which units an applicant may qualify for. Once the lottery is completed, formal income verification will be done.

5. HOUSING HISTORY: Please complete this section for the past five (5) years of housing history or the past three (3) landlords, or shelters.

List your current address: _____
(Street)

_____
(City) (State) (Zip Code)

How long have you lived at your current address (years): _____

How much is your rent: $_____
Does this include utilities Yes ☐ No ☐

Why do you want move: _____

Current landlord's name, address and phone no. _____
(Name) (Street)

_____
(City) (State) (Zip Code) (Telephone Number)

****

List your previous address: _____
(Street) (Apt.)

_____
(State) (City) (Zip Code)

What were the dates that you lived there?_____

Previous landlord's name, address and phone no. _____
(Name) (Street)

_____
(City) (State) (Zip Code) (Telephone Number)

Why did you move: _____

List your previous address: _____
(Street) (Apt.)

_____
(State) (City) (Zip Code)

What were the dates that you lived there?_____

Previous landlord's name, address and phone no. _____
(Name) (Street)

_____
(City) (State) (Zip Code) (Telephone Number)

Why did you move: _____

Please use the back of this sheet if you need more space for your housing history.

6. ACCESSIBLE UNIT/REASONABLE ACCOMMODATIONS:

Do you need or require an accessible unit? please check one. ☐ Yes ☐ No

Do you require a special mode of communication because of a disability? (i.e. TDD, Braille, etc.) ☐ Yes ☐ No

If yes, what type: _____

If you are requesting a reasonable accommodation, what is the nature of the accommodation requested?

_____

Under the federal fair housing act, it is illegal on the basis of race, color, national origin, religion, sex, handicap, or familial status to deny an applicant rental housing. If you believe you have been discriminated against, you should send a complaint to: The Department of Housing and Urban Development, c/o Assistant Secretary for Fair Housing and Equal Opportunity, Washington, DC 20410; or Massachusetts Commission Against Discrimination, 1 Ashburton Place, Boston, MA 02108; or Boston Fair Housing Commission, One City Hall Plaza, room 966, Boston, MA 02201.

I/We hereby certify that the information furnished on this application is true and complete, to the best of my/our knowledge and belief. Inquiries may be made to verify the statements herein. All information is regarded as confidential in nature, and a consumer credit report, a housing history report, and a Criminal Offenders Record Information (CORI) report may also be requested. I/We certify that I/We understand that false statements or information are punishable applicable under State or Federal Law.

I understand that I may submit only one application per household and that submitting duplicate applications will disqualify my household from the lottery.

Signature: _____ Date _____
Applicant

Signature: _____ Date _____
Co-Applicant

Equal Housing Opportunity

April 18, 2013 (Updated April 21)

Newton Housing Partnership – Project Review Sub-Committee
C/o Robert Muollo, Jr., Housing Planner
Planning and Development Department
City of Newton
1000 Commonwealth Ave.
Newton, MA 02459

Re: Engine 6

Dear Newton Housing Partnership Project Review Sub-Committee Members:

Thank you very much for taking the time to meet with us regarding our proposed redevelopment of the historic former firehouse at 2042-2044 Beacon Street. This memo is an attempt to answer some of the questions raised at our April 11 meeting.

Q. Would the housing be for a specific gender or for anyone regardless of gender?

A. The housing created would be open to anyone, regardless of gender.

Q. The Newton Housing Authority has a property in Newton Corner that is for men who are formerly homeless or at-risk of becoming homeless, and we understand that it may currently have a few vacancies. Could you speak with the Housing Authority and confirm that there is a need for this type of housing?

A. I spoke with Alycia Auchterlonie, the Leased Housing Coordinator for the Newton Housing Partnership. She reported that there are currently 3 or 4 vacancies at the 28 unit Newton Corner Place property. She attributed this to an usual amount of turnover over the past 6 to 7 months. The Housing Authority does not actually own or manage the property, nor do they do outreach for it. The West Suburban YMCA is responsible for outreach and they send potential applicants to the Housing Authority for to fill out an application which includes income verification and a CORI check. She suggested that I contact Donna Gooch at the West Suburban YMCA, however, she is on vacation until April 22. I will reach out to her for additional information when she returns.

The Continuum of Care has a wealth of information about the need to create more housing for homeless folks. According to the Consolidated Plan 2011-2015, there were 173 homeless individuals in the Brookline, Newton and Watertown communities, including folks in emergency shelters or transitional housing[1]. The Plan sets of a goal for the Brookline/Newton

[1] Pg. 144

63 Mt. Auburn St., Watertown, MA 02472
P: 617-923-3505 F: 617-923-8241 www.metrowestcd.org

Continuum of Care to produce 5 permanent supportive housing units per year during the FY11-15 Consolidated Plan period, resulting in an additional 25 units.[2] As it will take this project at least two years to be completed, the ten units created would meet this goal for two years.

Q. Could this project be permitted by invoking the Dover Amendment?

A. After consulting with our Attorney, we believe that because we plan to provide specialized support services, we could qualify to use the Dover Amendment.

Q. What type of resident screening would be in place?

A. Please see Attachment 1, Excerpt from Draft Management Plan regarding tenant selection.

Q. The Utilities may be low and the operating budget goes negative in Year 10.

A. ~~Please see Attachment 2, Updated 10-Year Operating Budget.~~ The utility estimates have actually dropped because we are now assuming residents will pay their own electricity. Therefore the rents have dropped but I have increased the amount of Continuum of Care funding. The Continuum of Care estimate continues to be conservative as most "bonus" projects funded in recent years receive between $150,000 and $180,000.

Q. The insurance during construction may be low.

~~A. Please see Attachment 3, Updated Development Budget~~

Q. Is there another model that could be used that would support traditional debt from a private lender, thereby reducing the need for public resources in general and City of Newton resources in particular?

A. The concept was driven by a few key factors: The historic nature of the building and our desire to preserve the historic fabric remaining inside the building; a substantial part of the usable space in the building is in the basement with very limited access to daylight; and efficiently using public resources to create high-quality affordable housing that meets the needs of the City of Newton and the broader region.

Due to the building's historic nature, and our desire to preserve the historic fabric inside the building, it would be difficult to create significantly larger units. We would be able to create, at most, 6 apartments, including two very small studios, one on each floor. Given these constraints, the property is less than ideal for families.

The large amount of space in the basement that is not conducive for housing due to the lack of sunlight is ideal for common spaces in which residents can gather or in which programming could occur. Given that parking and traffic has traditionally been the major concern of residents in Special Permit proposals stretching back to 1967, the best use of basement space seems to be for activities that would primarily support residents rather than a broader community. Thus the basement is an opportunity to provide homes for people who have special needs and would benefit from having access to specialized services in the place that they live.

[2] Pg. 151

The City of Newton coordinates the activities of the Brookline-Newton-Waltham-Watertown Continuum of Care (CoC). The purpose of the CoC is to bring communities together in a coordinated planning effort to work toward alleviating homelessness. The CoC has documented the need for more housing for homeless individuals and created goals for the creation of additional housing. The Commonwealth of Massachusetts has also placed a high priority on creating homes for formerly homeless and potentially homeless individuals and families.

Because of the above reasons, we have not spent much time studying other options. However, if we created larger units, we anticipate that the construction costs may only be reduced by between $150,000 and $200,000 and the soft cost reduction would be even smaller. If losing 40% of the units would only net a 10% reduction in costs, the total development cost per unit would end up being about 50% higher. The need for public resources would decrease slightly, but the money would be used less efficiently, as slightly less money would be creating 40% fewer affordable homes. Even if such a scheme could generate enough income to support a permanent mortgage, the mortgage capacity of the property would not come close to covering the increased spending per unit.

We could also explore creating similar housing with fewer services. However, we thoughtfully chose Paul Sullivan Housing to be the service provider because of the multitude and quality of services they provide. The CoC is provides much of the funding for these services, and without this less of service, we would not be able to access CoC funding, exacerbating any economic challenges of long-term management.

Q. Who pays the utilities?

A. The residents would pay for their own electricity, including the use of their proposed electric stoves. The property would pay for heat and hot water.

Q. Please provide a project schedule.

A. Please see Attachment 4, Project Schedule. Please note that this schedule shows two different scenarios, one based on a recommendation from the Newton Housing Partnership at their May meeting and one based on a recommendation from the Newton Housing Partnership at their June meeting.

Q. If City of Newton funds can not be used for acquisition, how would you purchase the property?

A. We have already begun discussing acquisition loans with a couple of potential lenders. It is most likely that we would get an acquisition loan from a public purpose lender such as the Community Economic Development Assistance Corporation (CEDAC), Boston Community Capital (BCC) or the Local Initiatives Support Corporation (LISC). Although the terms and conditions of such loans vary, they can generally cover somewhere between 90-100% of the acquisition cost, provided that: 1) the acquisition price is supported by an appraisal; 2) the proposed project is financing feasible; and 3) there is some tangible evidence of support from the local municipality. In our brief conversations with lenders, it seems likely that final commitment of any acquisition loan would be contingent on receiving a funding commitment from the City of Newton for HOME and/or CDBG funds. Please see Attachment 5, CEDAC Acquisition Terms and Conditions, as an example of the terms of such loans.

It should be noted that all of the acquisition loans would require that interest be paid on them. We have budgeted some money for acquisition loan interest, however, if additional interest needs to be paid, it would impact the overall cost of the development.

Q. Please provide a site plan

A. We do not have an updated site plan at this point in time. We will do our best to provide an updated site plan prior by May 8. There were two major issues that prompted this question: parking and the possible relocation of a stair in the rear of the property.

The property currently squeezes up to 16 cars on-site, mostly by allowing tandem parking on either side of the building. Removing all tandem parking, there would be space for 9 vehicles. However, we would propose to create one van accessible space, reducing the number of parking spaces to 8. This is an excess of the parking that is required by zoning, which would be 1 space for every 2 low-income apartments, or 5 spaces total. The proposed population would be unlikely to include many, if any, residents with cars, so we anticipate that 8 spaces would be more than enough to accommodate residents, service providers and visitors.

In the rear of the building there are two wooden staircases, one leads from a second floor window to a retaining wall, while the second leads from the retaining wall down to ground level. The stairways provide a second means of egress for the second floor. However, in order to comply with current code, the window will need to be lowered to become a door. This will necessitate rebuilding a smaller stair, which by code will need to covered, most likely with an awning. The second stairway is attached to the building, partially covering parts of two windows. We propose to move the stairway away from the building in order to better utilize the windows and better appreciate the historic nature of the building.

The above are the only two changes contemplated to the site, excluding the building.

Q. Please provide an updated schematic design drawing.

~~A. Updated schematic drawings will be available no later than Monday, April 22~~.

Q. Please provide a profile of the service provider.

A. Please see Attachment 6, Paul Sullivan Housing Management Agent Profile.

Engine 6

Excerpt from Draft Management Plan

Tenant Selection:

All tenant selection, both the initial rent up and filling of subsequent vacancies, will be performed according to the Affirmative Fair Housing Marketing Plan (AFHMP) approved by the Department of Housing and Community Development. All applications will be reviewed according to the eligibility criteria in the AFHMP. Tenant selection will be conducted by the Occupancy Specialist and Case Manager and supervised by the Program Supervisor. Applicants not selected will be provided with information regarding PSI's appeal process and may avail themselves of remedies as stated in the AFHMP. All prospective tenants will be notified in writing of their tenancy status.

All new tenants will conduct a move-in inspection with the PSH staff representative and will receive instruction in the use of appliances, security and other features of the building as part of a thorough tenant orientation. All tenants will be provided with a copy of the House Rules which will provide detailed information on all rules and policies and on the rights and responsibilities of tenants and management in addition to information on the care and maintenance of the units.

All applicants for Pine Street Inn's units are subject to a Criminal Offender Record Information (CORI) check and a Sexual Offender Record Information (SORI) check. Pine Street Inn will not house individuals who present a threat to the well-being of established tenants of Pine Street Inn or the members of the broader communities in which residences managed by Pine Street Inn are located. Tenant selection will be made on a case-by-case basis and will incorporate the complete application including all eligibility criteria, references, and CORI/SORI information.

The following are criteria used by housing authorities regarding CORI and SORI status. PSI also uses these same criteria for non-subsidized units.

Denials:

One drug-related incident or one incident of violent criminal activity less than a year ago, or multiple incidents, including:

i. drug trafficking – illegal manufacture, sale or distribution, or the possession with the intent to manufacture, sell or distribute, of a controlled substance

ii. personal drug use or possession – illegal use, or possession for personal use, of a controlled substance

iii. violence - any illegal criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force against the person or property of another - denials for manslaughter

less than seven years ago; murder less than 20 years ago, rape less than 10 years ago, robbery less than 7 years ago.

Applicants do have the right to appeal with Pine Street Inn any denial.

Engine 6 – Project Schedule

1. Purchase & Sales Agreement — Completed
2. Select Service Provider — Completed
3. Select Architect — Completed
4. Newton CDBG, HOME Applications — Completed
5. 1st Meeting with Housing Partnership Project Review Sub-committee — Completed

Partnership Recommendation in June

6. Recommendation from Newton Housing Partnership – May 8, 2013
7. Newton CPA pre-application Due – June 1, 2013
8. Recommendation from Newton Planning & Development Board – June 3, 2013
9. Submit 40B Initial Site Eligibility Application – June 17, 2013
10. Newton CDBG and HOME Conditional Commitments – July 3, 2013
11. Purchase Property, first Newton loan closing – August 12, 2013
12. Achieve 40B Initial Site Eligibility – August 17, 2013
13. First MA Historic Tax Credit Application – August 31, 2013
14. FHLB Application – September 13, 2013
15. Continuum of Care Application Due – October 1, 2013 (est.)
16. FHLB Award – December 13, 2013 (est.)
17. Continuum of Care Award – February 15, 2014 (est.)
18. Zoning Achieved (based on 6 month timeframe) – March 1, 2014
19. Submit DHCD Application out of round – March 1, 2014
20. DHCD funding commitment, all financing committed – April 1, 2014

Partnership Recommendation in June

6. Recommendation from Newton Housing Partnership – June 12, 2013
7. Newton CPA pre-application Due – June 1, 2013
8. Recommendation from Newton Planning & Development Board – July 1, 2013
9. Submit 40B Initial Site Eligibility Application – July 15, 2013
10. Newton CDBG and HOME Conditional Commitments – August 1, 2013
11. Purchase Property, bridge loan from CEDAC or BCC – August 12
12. First MA Historic Tax Credit Application – August 15, 2013
13. FHLB Application – September 13, 2013
14. Achieve 40B Initial Site Eligibility – September 15, 2013
15. Continuum of Care Application Due – October 1, 2013 (est.)
16. FHLB Award – December 13, 2013 (est.)
17. Continuum of Care Award – February 15, 2014 (est.)
18. Zoning Achieved (based on 6 month timeframe) – April 1, 2014
19. Submit DHCD Application out of round – April 1, 2014
20. DHCD funding commitment, all financing committed – May 1, 2014

21. Financing closing and construction start – July 1, 2014
22. Construction 50% completed – September 2014
23. Construction 100% completed – December 2014
24. 100% Occupancy – February 2015

21. First Newton loan closing, replay bridge loan – June 1, 2014
22. Financing closing and construction start – August 1, 2014
23. Construction 50% completed – October 2014
24. Construction 100% completed – January 2015
25. 100% Occupancy – March 2015

Attachment 6, Paul Sullivan Housing Management Agent Profile

Pine Street Inn / Paul Sullivan Housing Management Agent Profile

Updated: 1/30/13

Pine Street Inn, Inc. (PSI), through its congregate housing development and management department, Paul Sullivan Housing (PSH), has been developing and managing permanent, affordable housing for individuals and families with histories of chronic homelessness since 1984. PSI currently operates over 800 units of permanent, service-enriched, supportive housing across 36 residences and in scattered sites throughout Boston, Brookline, Chelsea and Waltham.

The director of Paul Sullivan Housing reports to Pine Street Inn's vice president for programs. The director is responsible for all aspects of the management of this housing. Program administrators with responsibility for groups of residences and the direct care staff associated with them report to the director. Also reporting to the director is a facilities administrator who is responsible for the maintenance and physical upkeep of each property and a property management administrator responsible for all business related to property accounting, occupancy, rental subsidies and tenant income.

Each residence has a staffing pattern based on the needs of the tenants living there. In particular, each house has a resident house manager who lives on site and is available to the residents through the night. Some residences also will have awake overnight staffing in order to better meet the needs of the residents. In addition, case managers and other staff work with the residents to achieve goals agreed upon in individual service plans.

Pine Street Inn also has centralized departments such as finance, human resources, development, and program planning to support the development and management of Paul Sullivan Housing's permanent housing program.

Since 1988, Pine Street Inn has developed 94 units specifically designed to meet the needs of formerly homeless individuals with chronic and persistent mental illness. PSI also offers a "Housing First/ Safe Haven" residence, which provides very low threshold housing for chronically homeless individuals. In addition, the Pine Street Inn portfolio includes 10 units of housing for persons living with HIV/AIDS. Still other PSH programs function as general lodging houses. One residence consisting of six two-bedroom apartments is for formerly homeless families. Another residence consisting of ten one-bedroom units is for elderly individuals and couples. The PSH program model, which has met with great success in all locations, is therefore a flexible one that "bends" to meet the person where he or she "is" with respect to self-sufficiency, job readiness and permanent housing.

Since 2005, Pine Street Inn has also begun providing supportive housing in scattered site locations across Greater Boston. Nine distinct programs provide apartments

for 145 formerly chronically homeless individuals. Staff locates suitable units in the community in various neighborhoods, recruit appropriate persons for these units, and then provide ongoing supportive services to enable the tenants to make progress toward greater independent living.

Over the past five years, PSI has also initiated a "housing first" program. Persons participating in housing first are usually chronically homeless and frequently are coming to housing directly from the street. There are no preconditions for a person in order to enter housing, and there are no requirements to accept services while in the housing. PSI currently is offering housing first to 229 persons in the scattered site programs and various other PSH congregate locations. Of those who have been here at least a year, over 90% are still in housing.

Many of the individuals whom Paul Sullivan Housing has successfully served have had a history of long term, street-level homelessness with substantial periods of disenfranchisement, often accompanied by mental illness and/or issues related to addiction and substance abuse, as well as physical disabilities. Still others are contending with the effects of longstanding domestic violence. Individualized programming allows PSI to house a diverse group of people with a wide range of challenges and needs. Some services are low-threshold, while others are intensive. All residents benefit from the management expertise and project-specific staffing patterns that over time, the administrators of Paul Sullivan Housing have developed and refined.

A list of all locations and programs Pine Street Inn manages and/or provides support services follows:

1. 1043-1045 Beacon Street, Brookline	26 SROs and 2 apartments
2. 33 Bradlee Street, Dorchester	10 SROs and 1 apartment
3. 40 East Springfield Street, Boston	5 two-bedr. apartments
4. 82 Green Street, Jamaica Plain	31 SROs, 3 three-bdr. and 5 two-bdr. apartments
5. 9 Half Moon Street, Dorchester	11 SROs and 1 apartment
6. 122 Park Street, Dorchester	4 SROs
7. 124 Park Street, Dorchester	6 SROs
8. 126 Park Street, Dorchester	6 SROs
9. 128-130 Park Street, Dorchester	16 SROs and 1 apartment
10. 28 Rockwell Street, Dorchester	10 SROs and 1 apartment
11. 300 Shawmut Avenue, Boston	15 SROs and 1 apartment
12. 438 Warren Street, Roxbury	18 SROs and 1 apartment
13. 394 Washington Street, Dorchester	10 SROs and 1 apartment

14. 1734-1740 Washington Street, Boston	31 SROs and 1 one bdr. and 1 two bedr. apartment
15. 8 Woodward Park, Dorchester	12 SRO's and 1 apartment
16. 136-140 Pleasant Street, Dorchester	6 two-bedr. apartments
17. 7 Locksley Street, Jamaica Plain	7 SROs
18. 1017 Beacon Street, Brookline	16 SROs
19. 1754 Beacon Street, Brookline	9 SROs and 5 apartments
20. 51-53 Beals Street, Brookline	16 SROs and 1 apartment
21. 55-57 Beals Street, Brookline	19 SROs and 1 apartment
22. 155 Geneva Avenue, Dorchester	11 apartments
23. 459 Park Drive, Boston	21 SROs and 1 apartment
24. 34 Algonquin Street, Dorchester	8 SROs and 1 apartment
25. REACH Scattered Site Housing	20 apartments
26. 131 Zeigler Street	7 SROs and 1 apartment
27. 414 Harrison Avenue	11 apartments
28. 18-20 Parker Hill Avenue	15 SROs and five apartments
29. 35 Tuttle Street, Dorchester	26 SROs and 1 apartment
30. REACH II Scattered Site Housing	44 apartments
31. REACH III Scattered Site Housing	18 apartments and 14 SROs
32. BREACH II Scattered Site Housing	5 apartments
33. Trinity House, East Boston*	15 SROs and 1 apartment (services only)
34. 6 Hartford Street, Dorchester	16 SROs
35. 35 Creighton Street, Jamaica Plain	28 SROs and 1 apartment
36. Low Threshold Scattered Site Housing	11 units
37. 270 Centre Street*, Jamaica Plain	4 units

38. 40-42 Upton Street, South End	18 enhanced SROs and 1 apartment
39. 1900 Washington, Roxbury	10 SROs
40. Chronic Homeless Housing	22 units – 4 SROs, 10 1-bdr, 4 2-bdr Scattered Site Housing
41. 8 Church Street, Dorchester	12 SROs
42. Hope to Home	20 units, Scattered Site Housing
43. Shelter Plus Care 1	22 units, Scattered Site Housing
44. Shelter Plus Care 2	7 units, Scattered Site Housing
45. LTS Housing	30 units, Scattered Site Housing
46. Common Ground*	32 units
47. WEREACH	10 units, Scattered Site Housing
Total Units:	802

Units currently in development are summarized below:

1. 461 Walnut Avenue, Jamaica Plain	31 studio apartments
2. North Bellingham Veterans Home, Chelsea	10 enhanced SROs

Total Units: 41

In addition to its housing development experience, Pine Street Inn has developed program space, both leased and owned, for its emergency shelter and transitional programs. This space includes a large men's shelter, women's shelter, transitional programs for both genders, a downtown drop-in center, a residential transitional program for pregnant and parenting women in recovery, a clothing warehouse and thrift store, as well as a four-floor office building.

*These programs are supportive services only.

CEDAC

TERMS AND CONDITIONS
Acquisition Loan Program

Eligible borrowers	Non-profit developers, Community Development Corporations, Joint Ventures controlled by a non-profit partner.
Eligible Program Activities	Acquisition of land, buildings or notes as part of an affordable housing project where borrowers demonstrate a clear public benefit of, or special market conditions requiring, an early acquisition.
Security	All loans will be secured by a first mortgage on the property. Assignment of leases and rents will be required for occupied property. Loans to scattered properties in the acquisition package will be cross-collateralized.
Loan to Value	**Standard:** up to 90% loan to value. May be able to go to 100% loan to value.
Term of Loan	Loans will be for a maximum of two years or the closing of construction financing or contribution of public equity, whichever comes first. Loans may be extended to three years depending on project circumstances.
Recourse	The loans will be recourse to the borrower.
Interest rate	Interest will be charged at a fixed rate, and will be due quarterly. Failure to pay in full at the time of construction closing will result in a penalty interest rate of 2 points above the current rate.
Fees	The commitment fee is one point, half of which is due at the execution of the commitment letter. Borrowers will pay the costs of CEDAC-commissioned appraisals, legal fees, and other services if required. Typical loan transactions involve only appraisals and legal fees. CEDAC keeps legal fees minimal by closing loans internally with outside counsel reviewing title documents and other project specific questions.

May 1, 2013

Newton Housing Partnership
C/o Robert Muollo, Jr., Housing Planner
Planning and Development Department
City of Newton
1000 Commonwealth Ave.
Newton, MA 02459

Re: Engine 6, Questions raised at Project Review Sub-Committee meeting on April 26.

Dear Newton Housing Partnership Members:

This memo is an attempt to answer outstanding questions raised at our April 26 meeting with the Project Review Sub-Committee.

Q. Will the residents be "low-threshold"? If they are not "low-threshold" how will you affirmatively market the apartments while still recruiting other than "low-threshold" residents?

A. "Low-threshold" housing, sometimes called Housing First, is the approach of placing people in housing first and then providing services. This model allows individuals to deal with issues such as alcohol or drug dependence or mental illness after getting permanent housing rather than before being placed in permanent housing.
.
The proposed housing at Engine 6 is not low-threshold. This is evidenced by our draft tenant selection plan which would allow us to deny applicants for a variety of reasons, including having recent drug-related or violent incidents.

Q. The draft tenant selection plan says that you would do SORI checks on prospective residents but it does not say what might be found in a SORI check that would result in a denied application.

A. Level 2 and Level 3 sex offenders would have their applications for residency denied.

Q. We understand that you are planning to permit the project as a friendly 40B, could you please provide us with a list of expected variances?

A. The property is located in the Single Residence 2 (SR2) Zone, thus the only permitted use is a single-family residence. We will therefore need to change from one non-conforming use to another. The minimum lot size in the SR2 Zone is 10,000 SF, this lot is 8,595 so the lot itself is non-conforming. The maximum floor area ratio is (FAR) is .3 and the existing building has an

63 Mt. Auburn St., Watertown, MA 02472
P: 617-923-3505 F: 617-923-8241 www.metrowestcd.org

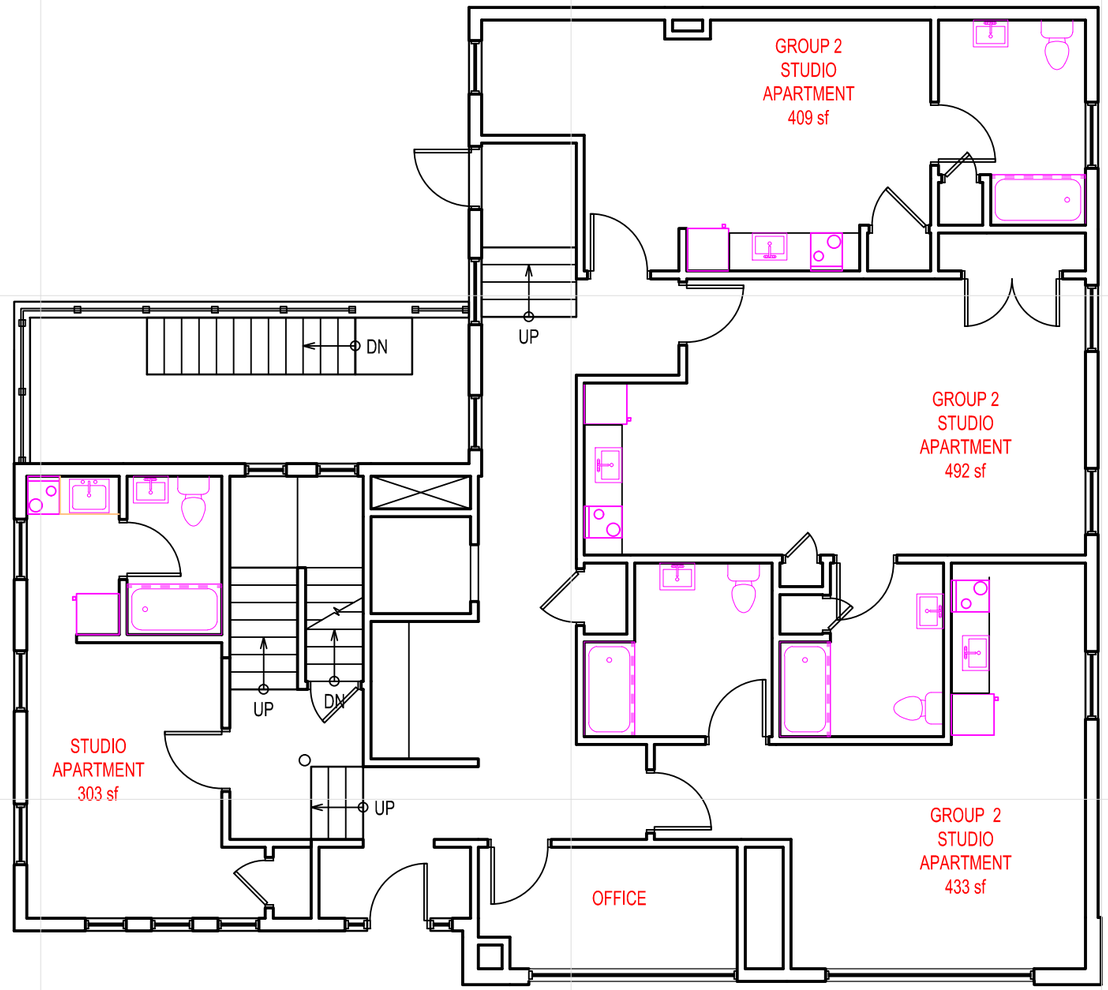
FAR of .768. We are not sure about setbacks or open space as we don't have a complete site plan yet.

Q. The water and sewer line item on your operating budget seems low, please explain.

A. We calculated this by looking for publicly available data on a similar property, Nonantum Village Place, at 243 Watertown Street. We found that they spend an average of $415 per unit per year on water and sewer. We have therefore increased our budget to $425 per unit per year. An updated operating budget is attached.

Q. Insurance during construction seems low.

We are going into a construction on a mixed-use project in Watertown in July. For that project our construction insurance quote is approximately $22,000 per year for 25 residential apartments and three commercial spaces. We have budgeted $1,000 per unit per year for this property, which we feel is appropriately conservative.



1 FIRST FLOOR PLAN

No.	Revision/Issue	Date
No.	Revision/Issue	Date
No.	Revision/Issue	Date
No.	Revision/Issue	Date
No.	Revision/Issue	Date
No.	Revision/Issue	Date
No.	Revision/Issue	Date

2042-2044 Beacon St.

Waban, MA 02468

Client

meander Studio
collaborative design

Project Name: Engine 6

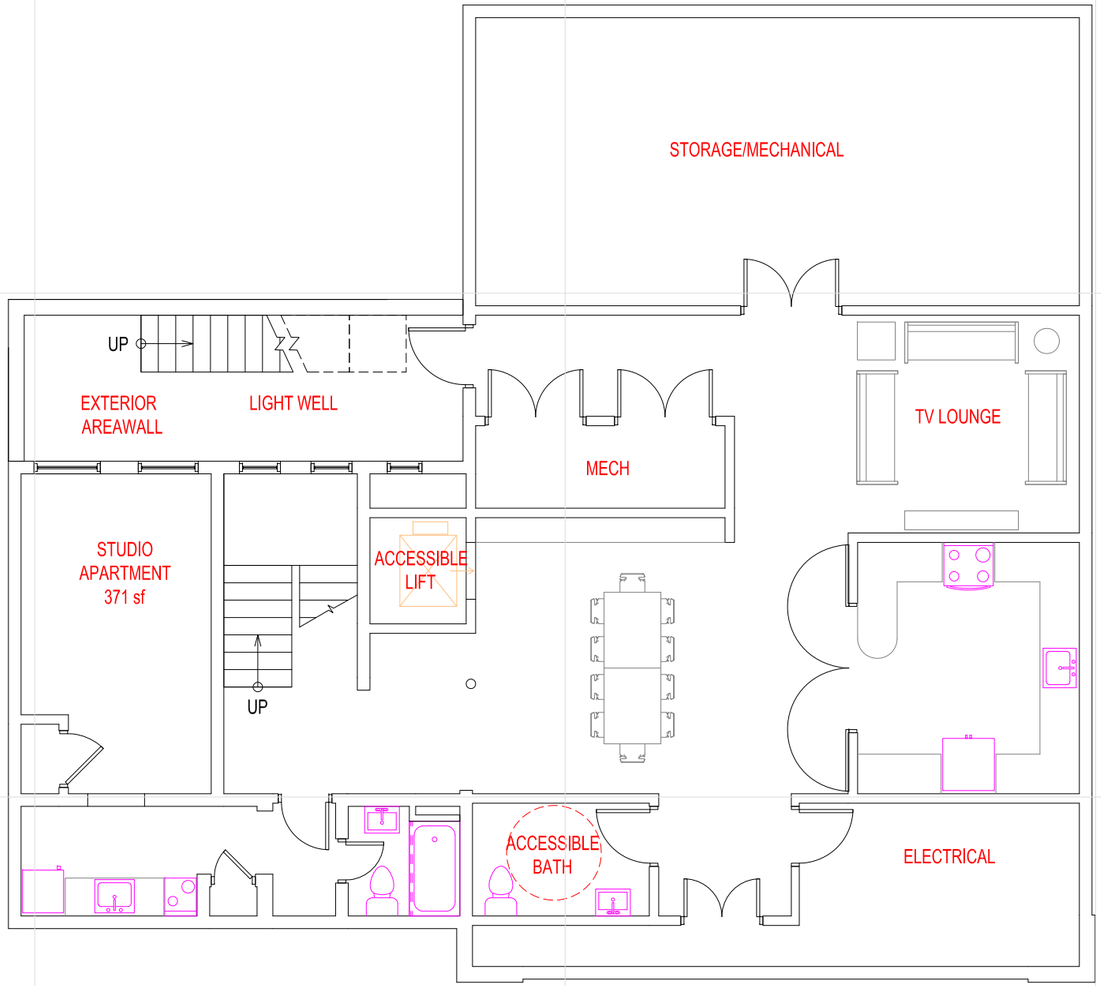
Project Number: 130001

Date: April 3, 2013

Scale: 1/8"=1'-0"

Drawing Number

EX-2



1 BASEMENT FLOOR PLAN

2042-2044 Beacon St.

Waban, MA 02468

Client

No.	Revision/Issue	Date
No.	Revision/Issue	Date
No.	Revision/Issue	Date
No.	Revision/Issue	Date
No.	Revision/Issue	Date
No.	Revision/Issue	Date
No.	Revision/Issue	Date

meander Studio
collaborative design

Project Name: Engine 6

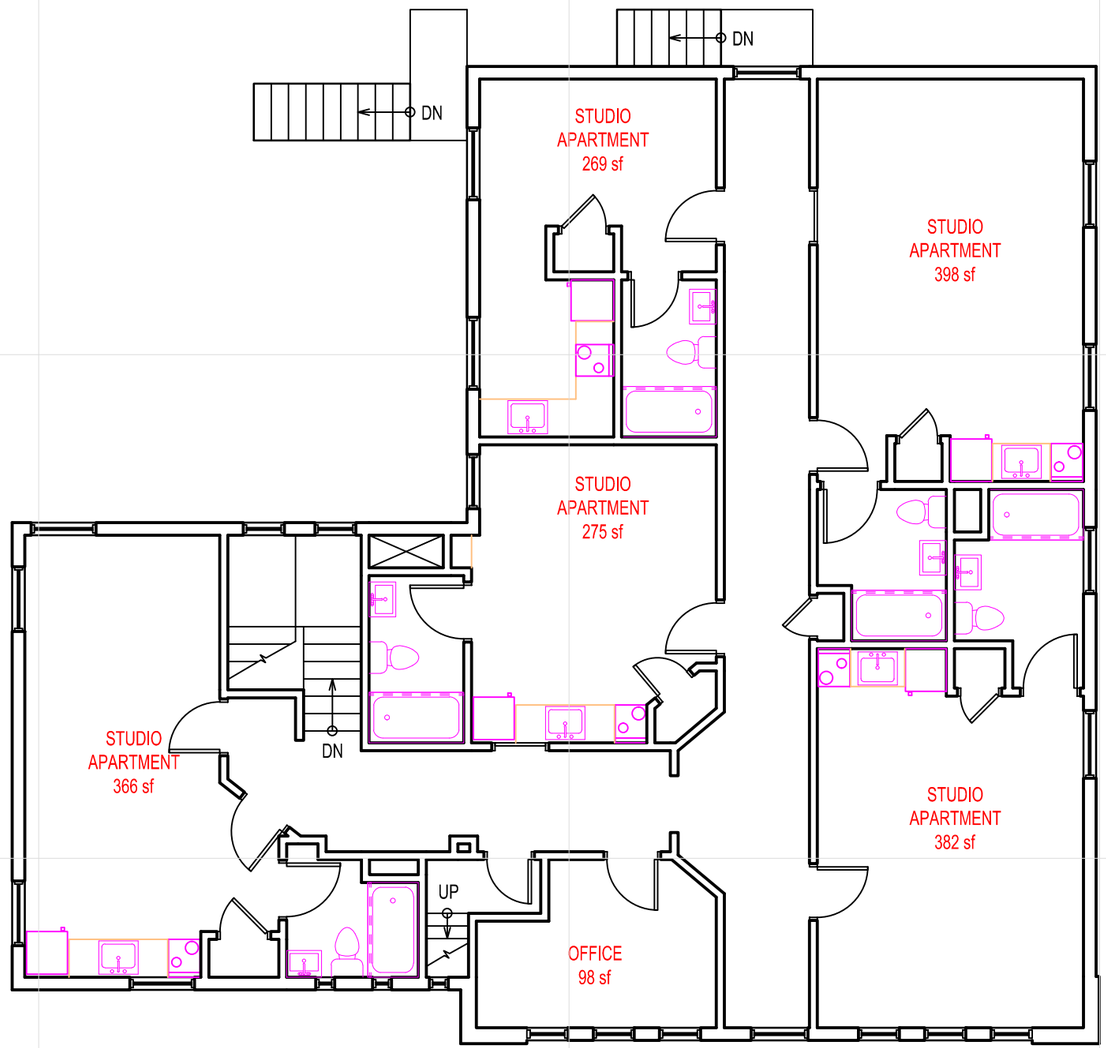
Project Number: 130001

Date: April 3, 2013

Scale: 1/8"=1'-0"

Drawing Number

A-1



1 SECOND FLOOR PLAN

No.	Revision/Issue	Date
No.	Revision/Issue	Date
No.	Revision/Issue	Date
No.	Revision/Issue	Date
No.	Revision/Issue	Date
No.	Revision/Issue	Date
No.	Revision/Issue	Date

2042-2044 Beacon St.

Waban, MA 02468

Client

meander Studio

collaborative design

Project Name: Engine 6

Project Number: 130001

Date: April 13, 2013

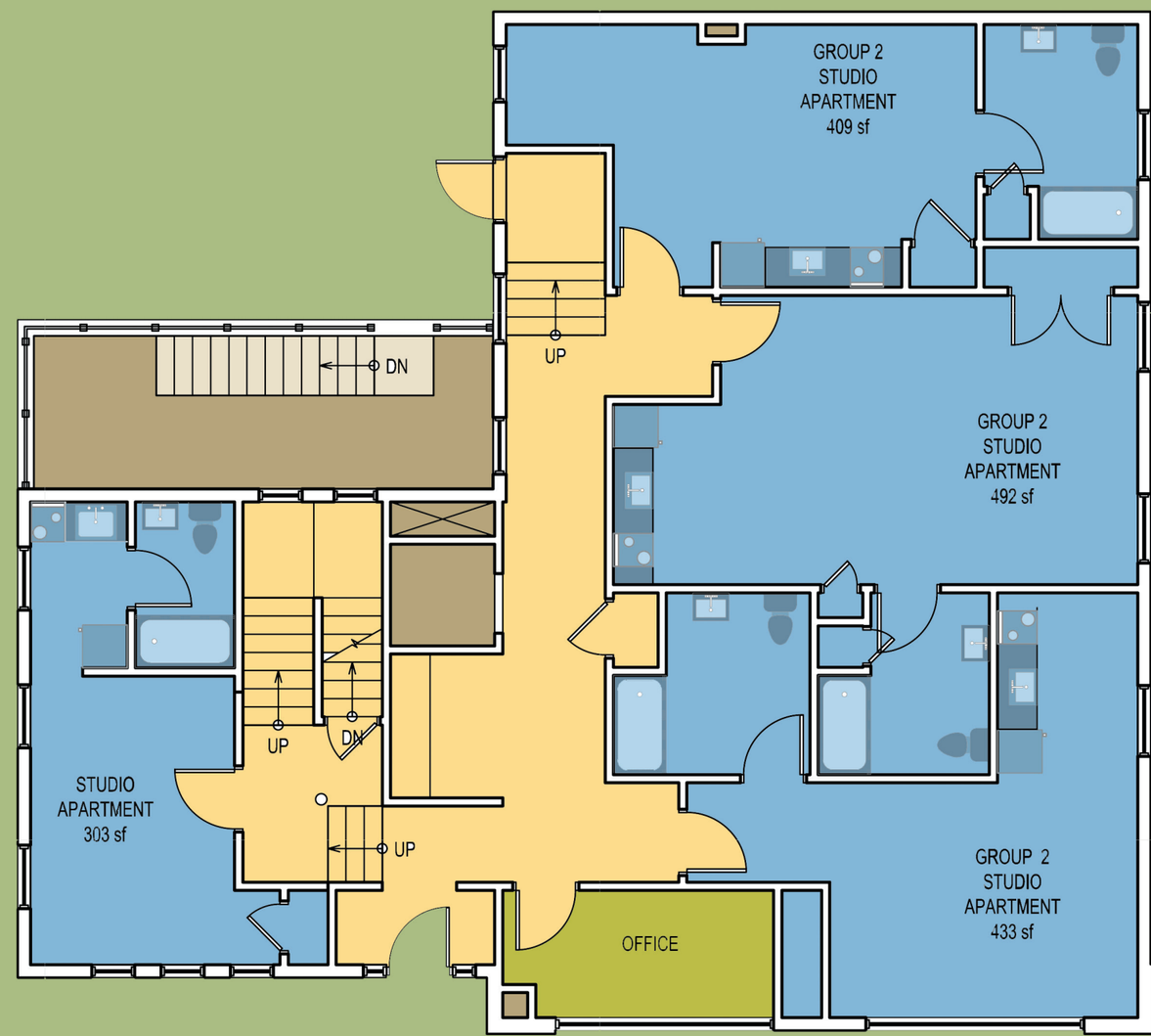
Scale: 1/8"=1'-0"

Drawing Number

EX-3

Engine 6 - 2042-2044 Beacon Street

First Floor Plan



First Floor Plan

- 4 units/3 accessible (300-490 sf)
- Office

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Engine 6 - 2042-2044 Beacon Street

Basement Floor Plan

Basement Floor Plan

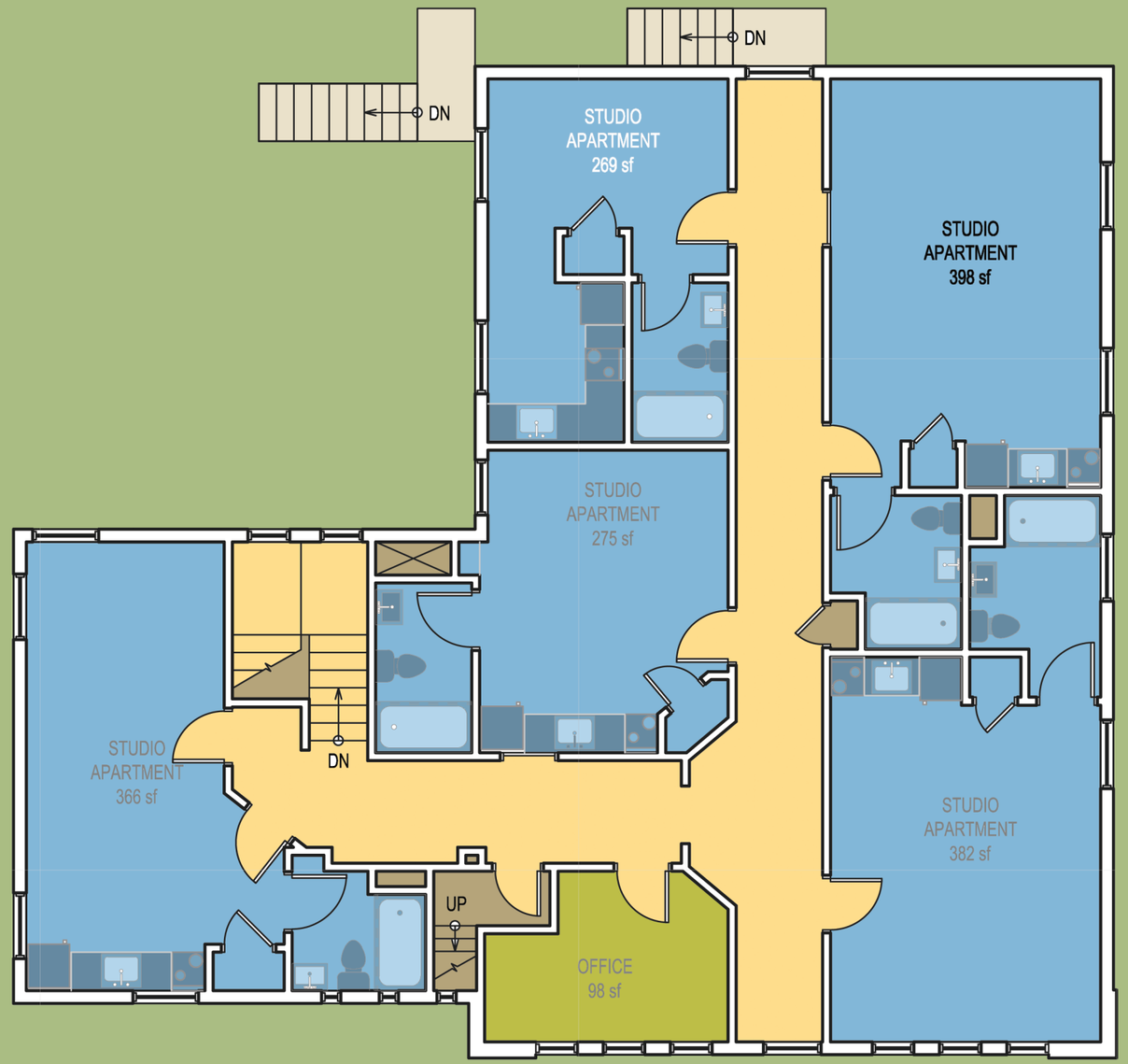
- 1 unit (371 sf)
- Communal Kitchen and TV Lounge
- Mechanical spaces

METRO WEST COLLABORATIVE DEVELOPMENT

meander Studio collaborative design

Engine 6 - 2042-2044 Beacon Street

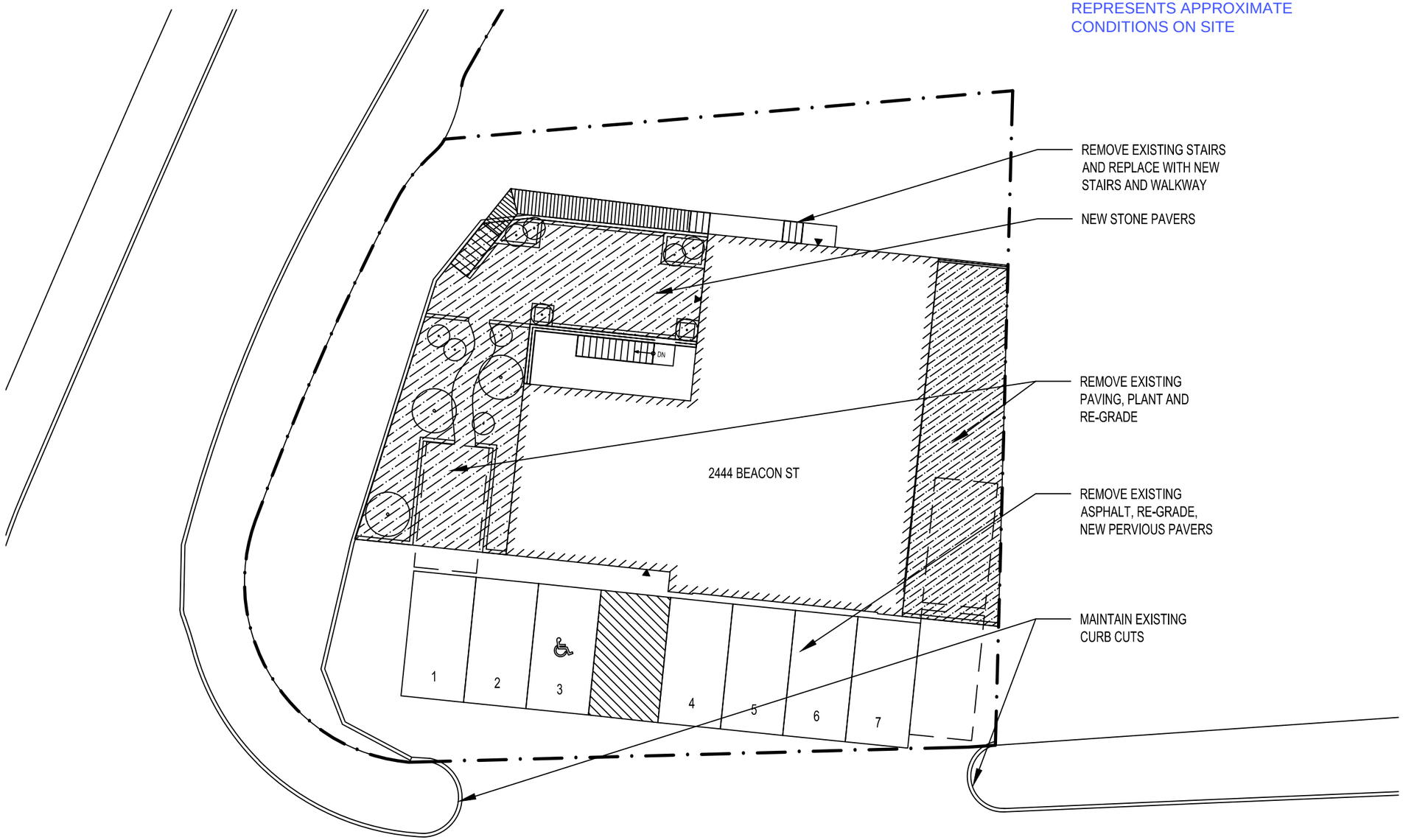
Second Floor Plan



Second Floor Plan

- 5 units (ranging from 265-398 sf)
- Office

NOTE:
THIS PLAN IS NOT BASED ON AN OFFICIAL SURVEY AND ONLY REPRESENTS APPROXIMATE CONDITIONS ON SITE



A-1 PROPOSED SITE PLAN

2042-2044 Beacon St.

Waban, MA 02468

MetroWest Community Development

meander Studio
collaborative design

Project Name: Engine 6

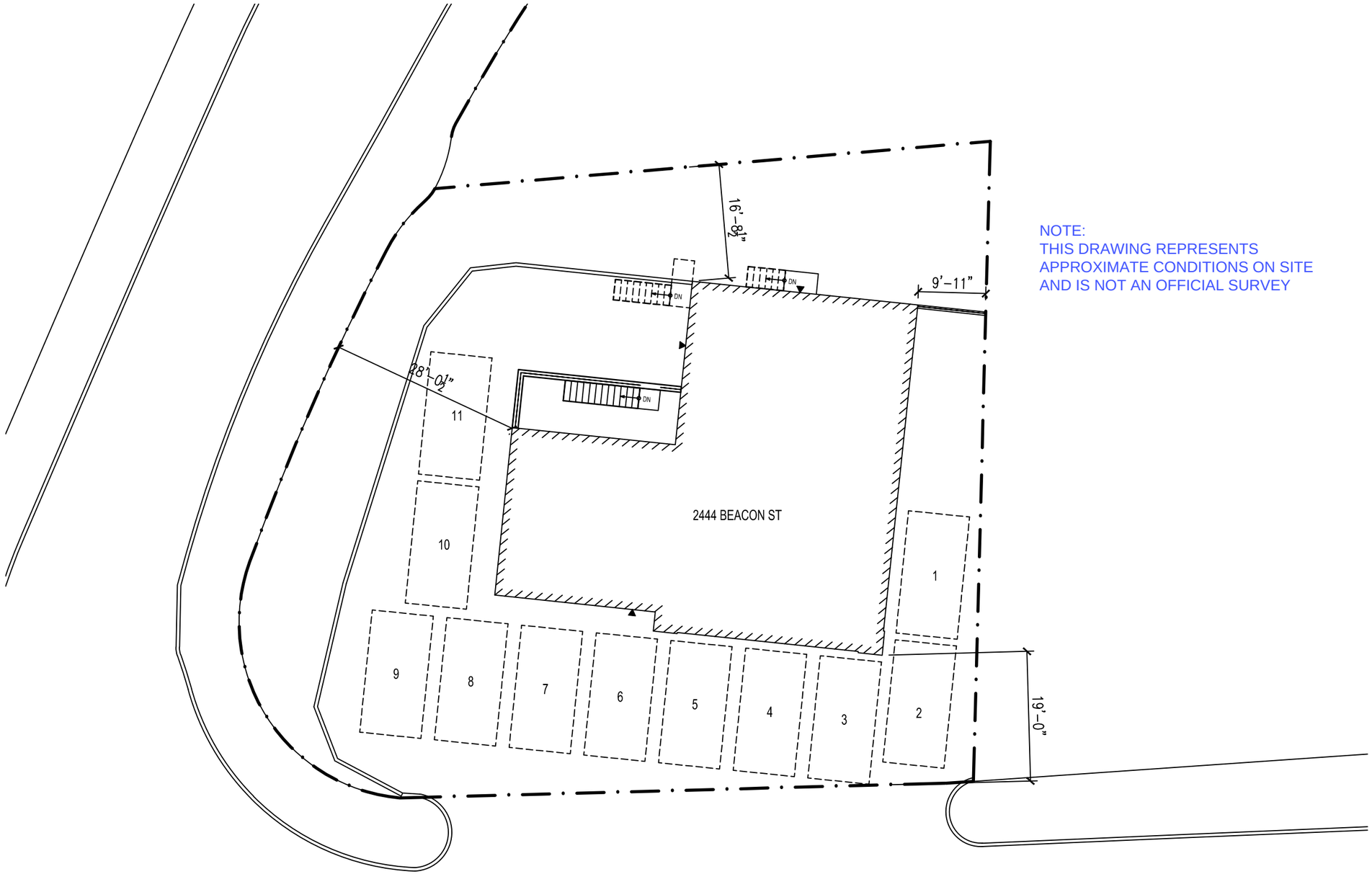
Project Number: 130001

Date: May 4, 2013

Scale: 1/16"=1'-0"

Drawing Number

A-01



NOTE:
THIS DRAWING REPRESENTS
APPROXIMATE CONDITIONS ON SITE
AND IS NOT AN OFFICIAL SURVEY

A-1 EXISTING SITE PLAN

2042-2044 Beacon St.

Waban, MA 02468

MetroWest Community Development

meander Studio
collaborative design

Project Name: Engine 6

Project Number: 130001

Date: May 5, 2013

Scale: 1/16"=1'-0"

Drawing Number

EX-01