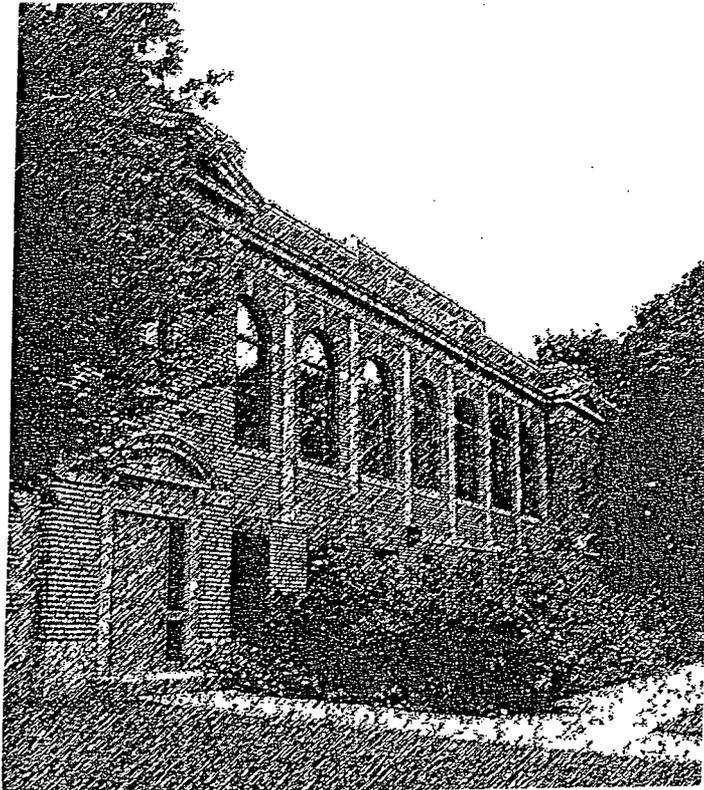


TOWNE SCHOOL APARTMENTS

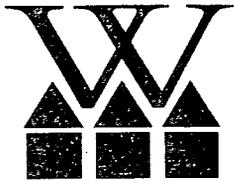
A Proposal to the Town of Acton



Submitted by:
The Women's Institute for Housing and
Economic Development



August 1, 2003



for Housing and
Economic Development

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August 1, 2003

Don P. Johnson
Town Manager
Acton Town Hall
472 Main Street
Acton, MA 01720

Dear Mr. Johnson,

The Women's Institute is pleased to submit this proposal for the long-term lease and development of the Acton Towne School into a mixed income rental property. The Women's Institute has over 20 years experience developing affordable housing for low-income women and families. We have worked with over 40 community organizations and towns to develop housing that meets the local needs. We are proud of our track record which includes the twenty-unit Crescent Field Townhouses in Newton. We propose a similar approach of mixing very low, moderate and market rate households into a twenty-unit rental community at the Towne School.

We are pleased that the Town of Acton has designated the school for affordable housing and has set standards for the percent of affordable units and income mix. The proposal exceeds the 25% affordability requirement for 40B developments which shows commitment and foresight by the town residents, town administration and housing partnership. We propose developing 20 units, 11 of which would be affordable – six rented to households at 80% of median income and five rented to households below 30% of median income. Two income sources dictate the number and income ranges: CDF II funds require a minimum of 11 units, and Home Funders specifies very low income families. This mix will create a full range of income levels.

We view this development as a model that other suburban communities may replicate, and one that will meet our mission of building affordable housing that works for low income women and families. We are committed to a collaborative process with the town and local boards and it is our wish to create a building that will be an asset to the community. The town will receive a renovated building, affordable units for its residents, a soccer field, a community room for use by local boards and organizations, and some proceeds from cash flow.

The Women's Institute looks forward to the opportunity of working in Acton on this exciting and worthwhile project.

Sincerely,

Felice Mendell
Executive Director

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NARRATIVE
Towne School Apartments

1) Programmatic Guidelines

This proposal meets and exceeds all of the programmatic guidelines set forth in the application. 100% units will be rental, with a wider income range than proposed. Eight 3-bedroom units will be developed instead of the two required. Two handicap units are proposed, instead of the one unit required. According to state guidelines, up to 70% of the affordable units can be local preference. This would be 7 of the 11 affordable units.

2) Affordability

Our plan exceeds the affordability requirements. Overall, 11 out of 20 units are affordable (55%). The financial package proposed assumes the Town of Acton applies for and receives CDF II funds from the state. Those funds can be used for the creation of affordable housing for low and moderate income households, and requires at least 11 affordable units. Of the 11 units, 5 will be targeted to very low-income households (at or below 30% of median income). Those households will be families with Section 8 certificates. Section 8 certificate holders face a difficult time in securing a rental unit because few rental units exist in places they choose to live and landlords are not required to take the certificates. Furthermore, those units must be de-lead and meet Section 8 inspections, making the pool of available units limited. Six units will be for households below 80% of median income.

3) Developer's capacity

The Women's Institute has a track record of developing complex projects within budget. We have routinely secured funding from the sources proposed: Department of Housing and Community Development, Mass Housing Partnership, and private foundations. Most of these projects have followed proposed time tables, although some projects encountered environmental or legal challenges which extended the time frame.

We have obtained special permits and variances for all projects. While the Women's Institute has not undertaken the comprehensive permit process, staff member Lynn Peterson is the chair of the Wakefield Housing Partnership and in that role reviews projects, oversees lottery processes, and has written comp permit guidelines which were adopted by the Wakefield Zoning Board of Appeals.

All of the Women's Institute projects involve working with volunteer boards and committees since we work in partnership with local organizations and are hired as development consultants by non-profit organizations seeking to create housing. We work in a participatory way that involves stakeholders in as much as they are interested in.

As with all of our direct development projects, a new real estate trust or LLC will be formed.

4) Financial capacity

Financial information on the Women's Institute and our development projects reveal diverse funding for the agency and projects. The equity we contribute is derived from grants from private foundations. In addition, we have a modest revolving loan fund that helps pay for the pre-development expenses.

5) Architect and Engineering

We have selected Elton-Hampton architects to serve as project architect. We have worked with both Nick Elton and Bruce Hampton on several projects and have great respect and trust in them. They are committed to high quality, creative, beautiful buildings. At the same time, they have designed buildings for numerous non-profits and are conscientious of cost constraints. They design buildings that are energy efficient and durable, which provides operating cost savings down the road.

6) General Contractor

We will bid out the project per public funding requirements. However, Bilt-Rite proprietor, John Sullivan, and senior staff, Nick Rostanzo, have provided us with cost estimates. We would like to work with Bilt-Rite since they have a solid reputation and have done numerous projects, including school renovations. They have worked on affordable housing projects and are adept at meeting reporting requirements. They are committed to hiring local and minority workers and have successfully done so. We worked with Bilt-Rite on GrandFamilies House (27 units), Moreland Street Apartments (12 units and child care), and Crescent Field Townhouses (20 units).

7) Management

After an extensive search for a property manager for Crescent Field townhouses in Newton, we selected The Mackin Group. Principal, Ken Mackin, has been exceptional to work with. That project, as with the Acton Towne School, has multiple income levels and requirements to meet. We have found The Mackin Group to be skilled both in financial management, interpersonal relationships, reporting requirements. He has assisted his donated his expertise to the development of his proposal.

8) Feasibility of Proposed Project

The development pro forma has been reviewed thus far by a development consultant, a board member who is a developer, the property manager, and Mass Housing Partnership. The development and operating pro formas contain assumptions to the best of our abilities. The proposed development at slightly over \$4 million is higher than the \$3.4 million estimate provided in the town's feasibility assessment. The 2002 feasibility assessment assumes construction costs of \$95-\$100 per square foot based on 21,056 square feet. Our construction cost estimate is higher at \$125 per square foot for 23,800 square feet. The higher square footage reflects loft spaces. Construction costs continue to rise and because the project is relying on CDBG funds through the CDF II program, prevailing wage requirements apply. The project is feasible if all of the assumptions hold true: public financing is secured, including \$800,000 from CDF II that the town of Acton must apply for, Affordable Housing Trust funds are available, and construction prices do not rise considerably. Based on the phase I environmental report refers to possible asbestos in one area in the building (toilet 6). There are no lead paint certificates filed with the state so inspection will be necessary. The underground oil tanks were removed but no evaluation of the soil after removal is recorded with the state.

9) Market Analysis

The market rate unit rents are proposed by the property management company. The Towne School Apartments will be attractive, brand new units in a convenient location next to a school. They will not have some of the amenities of complexes that offer pools, or town homes that may be more spacious. The lower priced listings tend to be units within homes, which may be older and not de-leaded. There are very few 3 bedroom units listed. The market rents we propose reflect the advantages and limitations of the apartments.

10) Site and building design

Design Features include:

- Restoring the brick façade
- Preserving the front yard
- Landscaping
- Creating more family sized units by adding lofts
- Adding more light in the building through sky lights instead of window openings
- Preserving the anodized windows and making them operable
- Creating two handicap accessible units, accessible laundry and half bath on the first floor
- Creating a community room in the center of the first floor for use by residents and town organizations. This will have an open atrium with sky lights above.
- Creating two small offices, one of which can be available to a town program such as Community Supper. The other will be for use by the property manager and the Women’s Institute.

Utilities:

The plan includes connecting to town sewer and gas and to separate the electrical from the town’s service. We propose a central heating and hot water system and separately metered electrical. The building is already sprinklered.

Site work:

Other site work includes developing a parking lot, as shown in the feasibility assessment site plan. Landscaping is included.

11) Proposed project schedule

The proposed outline shows a 15 month timeline to construction, however the Women’s Institute will strive to meet the 12 month timeline as proposed. A shorter time frame is advantageous to the town and developer. The time it takes to secure public funding is a variable since the funding is competitive.

<u>Tasks</u>	<u>Completion Date</u>
Designation	Aug
Option to Lease signed and recorded	Sept
Town applies to DHCD for CDF II funds	app out Sept, due Dec
Architectural/engineering for comp permit process	October
Developer applies to town for comprehensive permit	Nov
Comp permit awarded	Jan ‘04

Acton Towne School Proposal

Developer applies to state for Affordable Housing Trust funds	Jan
Developer applies to MHP for financing	Feb
Developer applies to foundations	ongoing
Financing commitments awarded	May
Marketing plan refined	
Construction documents	May-July
Bid process	Aug
Contractor selected	Sept
Loan negotiations	Oct
Closing loans and sign long-term lease	Nov
Construction start	Dec

12) Proposed rent to the town

The operating budget meets the 1.10 debt service coverage required by the Massachusetts Housing. The proposed rent to the town is 50% of the cash flow which improves over time. The remaining 50% the Women's Institute would control and designate for management incentives, replacements reserves or as the Women's Institute sees fit.

13) Requested changes to the lease

The lease was reviewed by our attorney, Sharon Blitzer, Esq. Of Holland and Knight. The comments we have are as follows:

- It is unclear when the Ground Lease will be executed. We propose that we sign an option to lease that is contingent upon securing the financing for the project. The option would be recorded and will show on title. This would provide sufficient evidence of site control to apply for funding. We propose signing the Ground Lease upon closing of the construction loans.
- For the pre-development period preceding signing the Ground Lease, we propose that the town continue to pay insurance, taxes and utilities on the building.
- Section 2.2 provides that the Town may elect to terminate the Lease if construction has not commenced within one year. The Lease should allow commencement of construction within 18 months of signing the Lease and provide for additional extensions if construction has not commenced for good cause.
- The Lease should provide that the Tenant may terminate the Lease if it cannot secure financing for the project.
- The Lease should indicate that once construction has commenced, the Town cannot terminate the Lease except if the Tenant has abandoned the property. (see notes on Lease Section 8.2 and delete Section 14.2)

Please refer to the notes on the Lease.

MEMORANDUM

TO: ACTON TOWNE BUILDING SELECTION COMMITTEE
FROM: LYNN PETERSON
SUBJECT: FOLLOW UP QUESTIONS
DATE: 09/12/03

Thank you for the opportunity to meet with you to discuss our proposal for the Towne School building. We enjoyed the opportunity to share our ideas and listen to your concerns. We share many of your concerns in creating a housing development that is attractive, feasible, marketable, and well run. We view our relationship with the town as a partnership, and believe that together we will come up with the best approach for the building. The overall unit configuration we are now presenting is: (4) 1-Bedroom units with dens, (11) 2-bedroom units, and (5) 3-bedroom units.

- 1. Reducing the number of 3-bedroom units:** We were very excited about our original plan because we believe that including eight three-bedroom units maximizes the public benefit and represents the highest and best use of the property. We have worked diligently on creating different scenarios and have concluded that we can reduce the number of 3-bedroom units to as few as five 3-bedroom units, as described below.

Reasons for Including Three-Bedroom Units

- The Towne School Building is an exceptionally appropriate site for family housing. There is no better location within Acton to develop family housing for many reasons: the location next to the public schools (eliminating any potential impact on the school transportation budget); adjacent fields and play areas; and the public support already garnered for the project.
- Creating three-bedroom units allows the town to create affordable housing for more residents, without significantly increasing the development impact of the project.
- Creating family units at the Towne School Building will make it easier for the town to reject future, less appropriate family housing developments.
- Creating three-bedroom units creates a stronger operating budget. With a modest increase in the development budget, the project can generate significant additional operating revenue. This cash flow will:
 - i. provide a cushion against future increases in operating costs

- ii. increase the financial return to the Town over the life of the project
- The Acton rental market includes few three-bedroom units. By creating such units here, the Town will be responding to a significant market need.
- Using sound proofing and durable materials we would plan for increased noise and activity in the building and wear and tear by children.

Impact of Reducing the Number of Three Bedroom Units

The committee has asked if we could limit the number of three bedroom units to only 3 or 4, and how that would affect cash flow.

- Replacing three-bedroom units with two-bedroom units will have a very modest impact on the development budget because almost the same number of square feet would be developed. We would not be increasing the overall number of units by reducing the number of three-bedroom units.
- The operating budget is significantly affected when there are only three or four 3-bedroom units. The budget is tighter which would mostly impact debt coverage reserves which are necessary for securing the loan, and reserves for future maintenance of the property. The cash flow is reduced which means less potential financial return to the Town.
- We have run a pro forma that makes the project work with as few as five 3-bedroom units.
- Our project management and developer's fee are already projected to be very low (under 10% of the total development cost). Most CDCs try to achieve a 15% fee and developer's using 40B are allowed up to 20% fee in addition to actual costs.

Additional Impacts on the Operating Budget

In addition to decreasing the number of three bedroom units from eight to five, we have made other changes that affect the operating budget:

- i) Increased sewer fees based on the information the committee provided and a conversation with David Schmidt from the Town Sewer Department.
- ii) Increased the property tax based on conversation with tax assessor.
- iii) Lowered the one bedroom rents based on conversation with local realtor, and
- iv) Created a larger window of eligibility on the units set aside for households at 80% or below of median income by lowering those rents by 5%.

*Possibility
of adding
community
room*

2. **Design alternatives:** We discussed with the committee our concerns about the limited marketability of one-bedroom units. In light of this, we have converted several of the one-bedroom units to two-bedroom units. The four remaining one-bedroom units would be enhanced with a den (not a legal bedroom). According to a local realtor, individuals prefer two bedroom units over a one-bedroom so that they can have a separate computer room or work space. The Towne School will be offering four units of a type not available elsewhere in the community.

The only other design change planned at this point is to provide the community room with a separate entrance from the residents' entrance.

3. **Financing alternatives:** If CDF II Funds were available at a lower level than we proposed, our first option would be to seek 4% tax credits from MassDevelopment to fill the gap. This source cannot completely replace CDF but it can lower the amount needed or replace AHT. The tax credits come with additional expenses, primarily legal, accounting, bond insurance, and project management. For the approximately \$500,000 we would qualify for, 20% would go toward those expenses. We propose seeking the full CDF amount and then applying to MassDevelopment for the 4% tax credits depending on the outcome of that proposal. The 4% tax credits are available on a rolling basis rather than through a competitive funding round.

*No member
approved
of this*

Alternatively, we could apply for 9% tax credits. This strategy would be most feasible if we were to make the entire units affordable to households at or below 60% and 50% of median income. The advantage to the 9% credits is that it would provide enough funds to eliminate the need for CDF and Affordable Housing Trust Fund, and could lower the debt. However, we would be disqualified from applying for the MHP deferred loan program. The disadvantage is that the 9% tax credits are highly competitive, and it may take several rounds adding 12-18 months to secure the funds. The longer time line would mean more carrying costs.

4. **Building free of liens:** As the long-term tenant, we would be providing asset management and maintaining a replacement reserve to fund future capital improvements. It would be important to review the financing for major improvements when there are fewer than 25 years remaining in the lease. Any major financial restructuring for the purpose of lowering debt or extracting equity to make renovations, would have to occur by years 20-25 in order to keep the building free of liens after the 50 year term of the lease.
5. **Including carrying costs:** The pro forma as revised includes \$43,000 toward the carrying costs which almost covers two years' operating expenses based on the town's current costs of \$23,000/year. This would be payable on closing of the construction sources.

6. **Market study:** We did not commission a market study prior to submitting the proposal. We relied on rents advertised in the local paper and information from the property manager. Since submitting our proposal, we have had discussed the project with a local realtor who provided valuable information about pricing and marketability of the units. Based on this feedback, we have revised the project concept to include fewer one-bedroom units and we enhanced those units. We lowered the rents for the one-bedroom units and created a larger marketing window on the units for households earning 80% of area median income by making them 5% less than the maximum rent levels.
7. **References for The Mackin Group are as follows:**

Commonwealth Land Trust, Ellen Richard (617-247-3200). Mackin manages 43 tax credit units in Chelsea in twelve buildings in proximity to one another.

Massachusetts Housing Investment Corporation (MHIC), Scott Backman (617-850-1054). Mackin Group took over property management of a property in which MHIC is the investor/owner after a previous company left. They resolved many administrative problems. Scott has found the Mackin Group to be very responsive, diligent, pro-active on capital and maintenance issues, and good at dealing with challenging tenants.

Crescent Field Townhouses, Newton Housing Authority, Jonathon Hacker (617-964-8080). Mackin provides all property management services including administering tenant selection process and fulfilling reporting requirements.

The Women's Institute and Bruce Hampton from Elton + Hampton Architects are confident that we will come up with a plan that accommodates the town's concerns and meets our mutual objectives. We hope that we will be working with you to bring this project to fruition.

Questions for Women's Institute

1. Explain proposed funding and defend it as the most appropriate and likely to be funded
2. Explain logic for providing six three bedroom apartments on the second floor? What are the unit floor plans? What is the quality of the loft spaces?
3. Did they consider a need for an elevator?
4. Defend \$6600 operating budget; \$1845 utility expenses; \$27,100 real estate tax cost ?
5. Are they both consultant and developer - \$300,000 and \$88,000 fees respectively in development budget ?
6. What do they mean by "public funding requirements"?
7. Do you expect that first mortgage will be recourse to Women's Institute?
8. Would they consider including in the development costs some of the holding costs of the building prior to the signing of the ground lease?
9. Provide references for the Mackin Group.
10. Confirm that any change in Architect, Contractor or Management agent will be subject to approval of the Town.

Questions for Homeowner's Rehab

1. Explain proposed funding and defend it as the most appropriate and likely to be funded. What if CPA funds were not available?
2. Do they see any terms in the lease that would be a "deal breaker".

3. Are their construction costs based upon prevailing wages?
4. Did they consider a need for an elevator?
5. What is the basis for \$1400 utility expenses; \$11,000 real estate tax expense ?
6. Who do they believe will be the tax credit investors?
7. Would they consider including in the development costs some of the holding costs of the building prior to the signing of the ground lease?
8. Confirm that any change in Architect, Contractor or Management agent will be subject to approval of the Town.

Women's Institute for Housing and Economic Development

Acton Towne School

8/27/2003

Square Footage Summary	Total S.F.	Cost/s.f.	
Residential gross sq ft	22,600	125	2,825,000
Program sq. ft.	1,200	125	150,000
Total gross Sq. ft	23,800		2,975,000

Total Construction Cost: 2,975,000

Rental Units	# Units
SRO	
1-bdrm	8
2-bdrm	5
3-bdrm	7
4-bdrm	0
Total Rental Units:	20

Approved by Town

SOURCE OF FUNDS	Total	Per Elig. Unit
CDF 1 + 2 (13%)	800,000	0
State AHT fund <i>Treas. fund</i>	500,000	50,000
HomeFunders <i>MH</i>	375,000	75,000
MHP Perm Plus deferred "	750,000	75,000
MHP Perm Plus loan "	1,790,000	162,727
Private Foundations	50,000	
Total Sources	4,265,000	

\$25,000 - Prevaling wages

0 11 units req'd, \$80 / X yr - (\$800,000)

10 units under 80%

5 min. # units (5)

10 units under 80%

USES OF FUNDS

	Total	cost/unit	
Acquisition			
Acquisition: Land			
Acquisition: Building(s)	15,000	750	contribution to soccer field
Hard Costs			
Direct construction budget	2,975,000	148,750	
Construc. contingency	297,500	14,875	10.00%
Site work - utilities, parking	0	0	inc. in construction budget
Asbestos/lead allowance	10,000	500	
Soft Costs			
Architect & engineering	218,250	10,913	7.00%
Survey & permits	44,625	2,231	1.50% of hard costs less contin
Clerk of the works	12,000	12,000	0 months
Environmental testing	0	0	
Bond Premium	0	0	included in construction cost
Legal	20,000	1,000	possible probono? partial?
Legal expenses	3,000	150	
Title and recording	8,000	400	
Accounting & Cost Certificati	5,000	250	
Marketing/Lease-up	20,000	1,000	Fee and advertising
Real estate taxes	11,000	550	
Insurance	20,000	1,000	
Appraisal	5,000	250	
Construction loan interest	49,362	2,468	2,000,000 @ 5.50%
Construction loan fees	31,212	1,561	
Legal tax opinion	0	0	
Inspecting engineer	7,500	375	1,500 @ 12.500
Finance fees	31,212	1,561	1% debt
MHP legal	0	0	MHP
Predevelopment loan interest	1,500	75	CEDAC 50,000 @ 3.00%
Operating reserve	64,200	3,210	50.00% annual expenses
Capit. DSC reserve	0	0	
Soft cost contingency	27,593	1,380	5.00%
Project Mgt/Developer O'head	300,000	15,000	
Developer Fee	88,000	4,400	10.01% proj mgmt & fee
Total Development Cost	4,264,953	213,248	

Surplus/(Gap) 47

MORTGAGES, PUBLIC GRANTS, DEFERRED LOANS

SOURCE	MHP First	Perm Plus	PRI	State AHT fund	Refinance PRI in yr 10
DUE IN YEARS	20	20	10	15	20
Principal	1,790,000	750,000	375,000	500,000	206,172
Interest Rate	7.20%	0.00%	2.00%	0.00%	8.00%
Amortization Term	30	30	20	25	20
Monthly Payment	12,150	0	1,897		1,725
Annual Debt Service	145,804	0	22,765		20,694
Financing Fees	17,900	7,500	3,750		2,062
					31,212

DEBT SERVICE	MHP First	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	YEAR 11	YEAR 12	YEAR 13	YEAR 14	YEAR 15
Months in year		12	12	12	12	12	12	12	12	12	12	12	12	12	12	12
Cumulative		12	24	36	48	60	72	84	96	108	120	132	144	156	168	180
Amortization		17,494	18,795	20,194	21,697	23,312	25,047	26,911	28,914	31,066	33,378	35,862	38,531	41,399	44,480	47,790
Interest expense		128,310	127,008	125,609	124,106	122,492	120,757	118,893	116,890	114,738	112,426	109,942	107,273	104,405	101,324	98,014
Mortgage balance		1,772,506	1,753,711	1,733,517	1,711,820	1,688,507	1,663,460	1,636,549	1,607,635	1,576,570	1,543,192	1,507,330	1,468,799	1,427,400	1,382,920	1,335,130

DEBT SERVICE	Perm Plus	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	YEAR 11	YEAR 12	YEAR 13	YEAR 14	YEAR 15
Months in year		12	12	12	12	12	12	12	12	12	12	12	12	12	12	12
Cumulative		12	24	36	48	60	72	84	96	108	120	132	144	156	168	180
Amortization		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest expense		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mortgage balance		#REF!	#REF!	#REF!	#REF!	#REF!	#REF!									
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

DEBT SERVICE	PRI	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	YEAR 11	YEAR 12	YEAR 13	YEAR 14	YEAR 15
Months in year		12	12	12	12	12	12	12	12	12	12	12	12	12	12	12
Cumulative		12	24	36	48	60	72	84	96	108	120	132	144	156	168	180
Amortization		15,405	15,716	16,034	16,357	16,687	17,024	17,368	17,718	18,076	18,441	18,813	19,193	19,580	19,975	20,379
Interest expense		7,359	7,048	6,731	6,407	6,077	5,741	5,397	5,046	4,689	4,324	3,952	3,572	3,184	2,789	2,386
Mortgage balance		359,595	343,878	327,845	311,487	294,800	277,776	260,408	242,689	224,613	206,172	187,359	168,166	148,586	128,611	108,232

DEBT SERVICE	State AHT fund	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	YEAR 11	YEAR 12	YEAR 13	YEAR 14	YEAR 15
Months in year		12	12	12	12	12	12	12	12	12	12	12	12	12	12	12
Cumulative		12	24	36	48	60	72	84	96	108	120	132	144	156	168	180
Amortization		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest expense		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mortgage balance		500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000

DEBT SERVICE	Refinance PRI Yr 11	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	YEAR 11	YEAR 12	YEAR 13	YEAR 14	YEAR 15
Months in year												12	12	12	12	12
Cumulative												12	24	36	48	60
Amortization												4,358	4,719	5,111	5,535	5,995
Interest expense												16,336	15,975	15,583	15,159	14,699
Mortgage balance												201,815	197,095	191,984	186,448	180,454

Women's Institute for Housing and Economic Development
Acton Towne School

INCOME SUMMARY

Residential Income

MHP Income Limits

Unit Size	Income	# Units	Project Rent*	Annual Revenue	Utility Allowance	HOME Assisted	Below 80% (AHT)		
1 BR									
1 BR	Sec. 8	0	1,130	0		0	0		
2 BR	Sec. 8	2	1,343	32,232		2	2		
3 BR	Sec. 8	3	1,660	59,760		3	3		
1 BR	High HOME	0	909	0		0	0		
2 BR	High HOME	0	1,090	0		0	0		
3 BR	High HOME	0	1,261	0		0	0		
1 BR	80% median	3	1,174	42,264			3		
2 BR	80% median	1	1,410	16,920		0	1		
3 BR	80% median	2	1,629	39,096		0	2		
1 BR	Market	4	1,300	62,400					
2 BR	Market	2	1,475	35,400					
3 BR	Market	3	1,660	59,760					
TOTAL UNITS:		20		347,832		5	11		

* includes utilities

Commercial Income

Commercial Rent Space

Total Commercial Revenue:

Sq ft.	\$/Sq ft	Annual Revenue
168	\$0.00	0
		0

Laundry income

1,560	3 loads/week/unit half income
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Summary by Unit Size

sf

SRO	0
1-BR	7
2-BR	5
3-BR	8
4-BR	

500

Women's Institute for Housing and Economic Development
Acton Towne School

OPERATING EXPENSES

INFLATION RATES:	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	YEAR 11	YEAR 12	YEAR 13	YEAR 14	YEAR 15	YEAR 16	YEAR 17	YEAR 18	YEAR 19	YEAR 20
Rent Increase s.8	0.00%	0.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Rent Increase high HOME	0.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Rent Increase market	0.00%	1.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Water & Sewer	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Real Estate Taxes	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Other	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Vacancy Rate afford	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Vacancy Rates market	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%

INCOME	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	YEAR 11	YEAR 12	YEAR 13	YEAR 14	YEAR 15	YEAR 16	YEAR 17	YEAR 18	YEAR 19	YEAR 20
Sec. 8	91,992	91,992	93,832	95,708	97,623	99,575	101,567	103,598	105,670	107,783	109,939	112,138	114,380	116,668	119,001	121,381	123,809	126,285	128,811	131,387
High HOME	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
80% median Market	98,280	100,246	102,251	104,296	106,381	108,509	110,679	112,893	115,151	117,454	119,803	122,199	124,643	127,136	129,678	132,272	134,917	137,616	140,368	143,175
Gross Potential Income	157,560	159,136	162,318	167,188	172,203	177,370	182,691	188,171	193,817	199,631	205,620	211,789	218,142	224,687	231,427	238,370	245,521	252,887	260,473	268,287
Less: Vacancy afford	(5,708)	(5,767)	(5,882)	(6,000)	(6,120)	(6,243)	(6,367)	(6,495)	(6,625)	(6,757)	(6,892)	(7,030)	(7,171)	(7,314)	(7,460)	(7,610)	(7,762)	(7,917)	(8,075)	(8,237)
Less: Vacancy market	(11,029)	(11,139)	(25,088)	(25,703)	(26,335)	(26,982)	(27,646)	(28,326)	(29,025)	(29,741)	(30,475)	(31,229)	(32,002)	(32,794)	(33,607)	(34,442)	(35,297)	(36,173)	(37,076)	(38,000)
Anticipated Rental Income	331,095	334,467	327,430	335,488	343,753	352,229	360,924	369,841	378,988	388,370	397,994	407,866	417,993	428,382	439,039	449,972	461,188	472,696	484,501	496,614
Office Rent	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Laundry	1,560	1,576	1,607	1,639	1,672	1,705	1,740	1,774	1,810	1,846	1,883	1,921	1,959	1,998	2,038	2,079	2,121	2,163	2,206	2,250
Total Income:	332,655	336,042	329,037	337,128	345,425	353,935	362,663	371,615	380,798	390,216	399,877	409,787	419,952	430,380	441,077	452,051	463,309	474,858	486,707	498,864

EXPENSES	TOTAL																				
	PER UNIT	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	YEAR 11	YEAR 12	YEAR 13	YEAR 14	YEAR 15	YEAR 16	YEAR 17	YEAR 18	YEAR 19	YEAR 20
Management fee	300	6,000	6,180	6,365	6,556	6,753	6,956	7,164	7,379	7,601	7,829	8,063	8,305	8,555	8,811	9,076	9,348	9,628	9,917	10,215	10,521
Administration	300	6,000	6,180	6,365	6,556	6,753	6,956	7,164	7,379	7,601	7,829	8,063	8,305	8,555	8,811	9,076	9,348	9,628	9,917	10,215	10,521
Asset management	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Audit	125	2,500	2,575	2,652	2,732	2,814	2,898	2,985	3,075	3,167	3,262	3,360	3,461	3,564	3,671	3,781	3,895	4,012	4,132	4,256	4,384
Marketing	50	1,000	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267	1,305	1,344	1,384	1,426	1,469	1,513	1,558	1,605	1,653	1,702	1,754
Legal	250	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524	6,720	6,921	7,129	7,343	7,563	7,790	8,024	8,264	8,512	8,768
Real estate taxes	1,355	27,100	27,913	28,750	29,613	30,501	31,416	32,359	33,330	34,329	35,359	36,420	37,513	38,638	39,797	40,991	42,221	43,488	44,792	46,136	47,520
Heat	800	16,000	16,480	16,974	17,484	18,008	18,548	19,105	19,678	20,268	20,876	21,503	22,148	22,812	23,497	24,201	24,927	25,675	26,446	27,239	28,056
Electric	480	9,600	9,888	10,185	10,490	10,805	11,129	11,463	11,807	12,161	12,526	12,902	13,289	13,687	14,098	14,521	14,956	15,405	15,867	16,343	16,834
Hot water	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Water and sewer	565	11,300	11,639	11,988	12,348	12,718	13,100	13,493	13,898	14,315	14,744	15,186	15,642	16,111	16,594	17,092	17,605	18,133	18,677	19,237	19,815
Maintenance & Repair	1,398	27,960	28,799	29,663	30,553	31,469	32,413	33,386	34,387	35,419	36,481	37,576	38,703	39,864	41,060	42,292	43,561	44,868	46,214	47,600	49,028
Insurance	400	8,000	8,240	8,487	8,742	9,004	9,274	9,552	9,839	10,134	10,438	10,751	11,074	11,406	11,748	12,101	12,464	12,838	13,223	13,619	14,028
Replacement Reserve	325	6,500	6,695	6,896	7,103	7,316	7,535	7,761	7,994	8,234	8,481	8,735	8,998	9,267	9,545	9,832	10,127	10,431	10,744	11,066	11,398
Operating Reserve	250	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524	6,720	6,921	7,129	7,343	7,563	7,790	8,024	8,264	8,512	8,768
TOTAL	6,598	131,960	135,919	139,996	144,196	148,522	152,978	157,567	162,294	167,163	172,178	177,343	182,664	188,143	193,788	199,601	205,589	211,757	218,110	224,653	231,393
RESIDENTIAL NOI (w/o DSCR):		200,695	200,123	189,041	192,931	196,903	200,957	205,096	209,321	213,635	218,038	222,534	227,123	231,809	236,592	241,476	246,462	251,552	256,749	262,054	267,471

Women's Institute for Housing and Economic Development

Acton Towne School

**OPERATING BUDGET/CASH FLOW
SUMMARY PAGE – DO NOT INPUT ON THIS SHEET!**

<i>INCOME</i>	<i>YEAR 1</i>	<i>YEAR 2</i>	<i>YEAR 3</i>	<i>YEAR 4</i>	<i>YEAR 5</i>	<i>YEAR 6</i>	<i>YEAR 7</i>	<i>YEAR 8</i>	<i>YEAR 9</i>	<i>YEAR 10</i>	<i>YEAR 11</i>	<i>YEAR 12</i>	<i>YEAR 13</i>	<i>YEAR 14</i>	<i>YEAR 15</i>	<i>YEAR 16</i>	<i>YEAR 17</i>	<i>YEAR 18</i>	<i>YEAR 19</i>	<i>YEAR 20</i>
Sec. 8	91,992	91,992	93,832	95,708	97,623	99,575	101,567	103,598	105,670	107,783	109,939	112,138	114,380	116,668	119,001	121,381	123,809	126,285	128,811	131,387
High HOME	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
80% median	98,280	100,246	102,251	104,296	106,381	108,509	110,679	112,893	115,151	117,454	119,803	122,199	124,643	127,136	129,678	132,272	134,917	137,616	140,368	143,175
Market	157,560	159,136	162,318	167,188	172,203	177,370	182,691	188,171	193,817	199,631	205,620	211,789	218,142	224,687	231,427	238,370	245,521	252,887	260,473	268,287
Gross Potential Income	347,832	351,373	358,401	367,192	376,208	385,454	394,937	404,662	414,637	424,868	435,362	446,125	457,166	468,490	480,107	492,023	504,248	516,788	529,652	542,850
Less: Residential Vacancy	(16,737)	(16,907)	(30,971)	(31,704)	(32,455)	(33,224)	(34,013)	(34,821)	(35,649)	(36,498)	(37,368)	(38,259)	(39,172)	(40,108)	(41,068)	(42,051)	(43,059)	(44,092)	(45,151)	(46,236)
Office Rent	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Laundry	1,560	1,576	1,607	1,639	1,672	1,705	1,740	1,774	1,810	1,846	1,883	1,921	1,959	1,998	2,038	2,079	2,121	2,163	2,206	2,250
Draw from DSCR:	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Residential Income:	332,655	336,042	329,037	337,128	345,425	353,935	362,663	371,615	380,798	390,216	399,877	409,787	419,952	430,380	441,077	452,051	463,309	474,858	486,707	498,864
TOTAL INCOME:	332,655	336,042	329,037	337,128	345,425	353,935	362,663	371,615	380,798	390,216	399,877	409,787	419,952	430,380	441,077	452,051	463,309	474,858	486,707	498,864
EXPENSES																				
Operating Expenses	(131,960)	(135,919)	(139,996)	(144,196)	(148,522)	(152,978)	(157,567)	(162,294)	(167,163)	(172,178)	(177,343)	(182,664)	(188,143)	(193,788)	(199,601)	(205,589)	(211,757)	(218,110)	(224,653)	(231,393)
TOTAL EXPENSES:	(131,960)	(135,919)	(139,996)	(144,196)	(148,522)	(152,978)	(157,567)	(162,294)	(167,163)	(172,178)	(177,343)	(182,664)	(188,143)	(193,788)	(199,601)	(205,589)	(211,757)	(218,110)	(224,653)	(231,393)
NET OPERATING INCOME:	200,695	200,123	189,041	192,931	196,903	200,957	205,096	209,321	213,635	218,038	222,534	227,123	231,809	236,592	241,476	246,462	251,552	256,749	262,054	267,471
<i>Debt Service</i>																				
MHP First	(145,804)	(145,804)	(145,804)	(145,804)	(145,804)	(145,804)	(145,804)	(145,804)	(145,804)	(145,804)	(145,804)	(145,804)	(145,804)	(145,804)	(145,804)	(145,804)	(145,804)	(145,804)	(145,804)	(145,804)
PR1	(22,765)	(22,765)	(22,765)	(22,765)	(22,765)	(22,765)	(22,765)	(22,765)	(22,765)	(22,765)	0	0	0	0	0	0	0	0	0	0
PR1 Refinance Yr 10	0	0	0	0	0	0	0	0	0	0	(20,694)	(20,694)	(20,694)	(20,694)	(20,694)	(20,694)	(20,694)	(20,694)	(20,694)	(20,694)
Total Debt Payments	(168,568)	(168,568)	(168,568)	(168,568)	(168,568)	(168,568)	(168,568)	(168,568)	(168,568)	(168,568)	(166,498)	(166,498)	(166,498)	(166,498)	(166,498)	(166,498)	(166,498)	(166,498)	(166,498)	(166,498)
CASH FLOW before DSCR	32,126	31,555	20,472	24,363	28,334	32,389	36,528	40,753	45,066	49,470	56,036	60,626	65,311	70,095	74,978	79,964	85,054	90,251	95,557	100,974
Debt Service Coverage	1.19	1.19	1.12	1.14	1.17	1.19	1.22	1.24	1.27	1.29	1.34	1.36	1.39	1.42	1.45	1.48	1.51	1.54	1.57	1.61
Debt Service Reserve @1.10	(16,857)	(16,857)	(16,857)	(16,857)	(16,857)	(16,857)	(16,857)	(16,857)	(16,857)	(16,857)	(16,857)	(16,857)	(16,857)	(16,857)	(16,857)	(16,857)	(16,857)	(16,857)	(16,857)	(16,857)

ASSUMPTIONS:

Income	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	YEAR 11	YEAR 12	YEAR 13	YEAR 14	YEAR 15	YEAR 16	YEAR 17	YEAR 18	YEAR 19	YEAR 20	
Sec. 8	91,992	91,992	93,832	95,708	97,623	99,575	101,567	103,598	105,670	107,783	109,939	112,138	114,380	116,668	119,001	121,381	123,809	126,285	128,811	131,387	
High HOME	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
80% median	98,280	100,246	102,251	104,296	106,381	108,509	110,679	112,893	115,151	117,454	119,803	122,199	124,643	127,136	129,678	132,272	134,917	137,616	140,368	143,175	
Market	157,560	159,136	162,318	167,188	172,203	177,370	182,691	188,171	193,817	199,631	205,620	211,789	218,142	224,687	231,427	238,370	245,521	252,887	260,473	268,287	
Gross Potential Income	347,832	351,373	358,401	367,192	376,208	385,454	394,937	404,662	414,637	424,868	435,362	446,125	457,166	468,490	480,107	492,023	504,248	516,788	529,652	542,850	
Less: Residential Vacancy	(16,737)	(16,907)	(30,971)	(31,704)	(32,455)	(33,224)	(34,013)	(34,821)	(35,649)	(36,498)	(37,368)	(38,259)	(39,172)	(40,108)	(41,068)	(42,051)	(43,059)	(44,092)	(45,151)	(46,236)	
Anticipated Rental Income	331,095	334,467	327,430	335,488	343,753	352,229	360,924	369,841	378,988	388,370	397,994	407,866	417,993	428,382	439,039	449,972	461,188	472,696	484,501	496,614	
Office Rent	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Laundry	1,560	1,576	1,607	1,639	1,672	1,705	1,740	1,774	1,810	1,846	1,883	1,921	1,959	1,998	2,038	2,079	2,121	2,163	2,206	2,250	
Draw from DSCR:																					
Total Income:	332,655	336,042	329,037	337,128	345,425	353,935	362,663	371,615	380,798	390,216	399,877	409,787	419,952	430,380	441,077	452,051	463,309	474,858	486,707	498,864	
Expenses	25																				
Management fee	300	6,000	6,180	6,365	6,556	6,753	6,956	7,164	7,379	7,601	7,829	8,063	8,305	8,555	8,811	9,076	9,348	9,628	9,917	10,215	10,521
Administration	300	6,000	6,180	6,365	6,556	6,753	6,956	7,164	7,379	7,601	7,829	8,063	8,305	8,555	8,811	9,076	9,348	9,628	9,917	10,215	10,521
Asset management	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Audit	125	2,500	2,575	2,652	2,732	2,814	2,898	2,985	3,075	3,167	3,262	3,360	3,461	3,564	3,671	3,781	3,895	4,012	4,132	4,256	4,384
Marketing	50	1,000	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267	1,305	1,344	1,384	1,426	1,469	1,513	1,558	1,605	1,653	1,702	1,754
Legal	250	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524	6,720	6,921	7,129	7,343	7,563	7,790	8,024	8,264	8,512	8,768
Real estate taxes	1,355	27,100	27,913	28,750	29,613	30,501	31,416	32,359	33,330	34,329	35,359	36,420	37,513	38,638	39,797	40,991	42,221	43,488	44,792	46,136	47,520
Heat	800	16,000	16,480	16,974	17,484	18,008	18,548	19,105	19,678	20,268	20,876	21,503	22,148	22,812	23,497	24,201	24,927	25,675	26,446	27,239	28,056
Electric	480	9,600	9,888	10,185	10,490	10,805	11,129	11,463	11,807	12,161	12,526	12,902	13,289	13,687	14,098	14,521	14,956	15,405	15,867	16,343	16,834
Hot water	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Water and sewer	565	11,300	11,639	11,988	12,348	12,718	13,100	13,493	13,898	14,315	14,744	15,186	15,642	16,111	16,594	17,092	17,605	18,133	18,677	19,237	19,815
Maintenance & Rep	1,398	27,960	28,799	29,663	30,553	31,469	32,413	33,386	34,387	35,419	36,481	37,576	38,703	39,864	41,060	42,292	43,561	44,868	46,214	47,600	49,028
Insurance	400	8,000	8,240	8,487	8,742	9,004	9,274	9,552	9,839	10,134	10,438	10,751	11,074	11,406	11,748	12,101	12,464	12,838	13,223	13,619	14,028
Replacement Reserv	325	6,500	6,695	6,896	7,103	7,316	7,535	7,761	7,994	8,234	8,481	8,735	8,998	9,267	9,545	9,832	10,127	10,431	10,744	11,066	11,398
Operating Reserve	250	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524	6,720	6,921	7,129	7,343	7,563	7,790	8,024	8,264	8,512	8,768
TOTAL	6,598	131,960	135,919	139,996	144,196	148,522	152,978	157,567	162,294	167,163	172,178	177,343	182,664	188,143	193,788	199,601	205,589	211,757	218,110	224,653	231,393
NET OPERATING INCOME	200,695	200,123	189,041	192,931	196,903	200,957	205,096	209,321	213,635	218,038	222,534	227,123	231,809	236,592	241,476	246,462	251,552	256,749	262,054	267,471	
Debt Service																					
MHP first	(145,804)	(145,804)	(145,804)	(145,804)	(145,804)	(145,804)	(145,804)	(145,804)	(145,804)	(145,804)	(145,804)	(145,804)	(145,804)	(145,804)	(145,804)	(145,804)	(145,804)	(145,804)	(145,804)	(145,804)	(145,804)
Home Funders	(22,765)	(22,765)	(22,765)	(22,765)	(22,765)	(22,765)	(22,765)	(22,765)	(22,765)	(22,765)	(22,765)	(22,765)	(22,765)	(22,765)	(22,765)	(22,765)	(22,765)	(22,765)	(22,765)	(22,765)	(22,765)
Home Funder Refinance																					
DEBT SERVICE	(168,568)	(168,568)	(168,568)	(168,568)	(168,568)	(168,568)	(168,568)	(168,568)	(168,568)	(168,568)	(168,568)	(168,568)	(168,568)	(168,568)	(168,568)	(168,568)	(168,568)	(168,568)	(168,568)	(168,568)	(168,568)
CASH FLOW before DSC	32,126	31,555	20,472	24,363	28,334	32,389	36,528	40,753	45,066	49,470	76,730	81,320	86,005	90,789	95,672	100,658	105,748	110,945	116,251	121,668	
Debt Service Coverage	(16,857)	(16,857)	(16,857)	(16,857)	(16,857)	(16,857)	(16,857)	(16,857)	(16,857)	(16,857)	(16,857)	(16,857)	(16,857)	(16,857)	(16,857)	(16,857)	(16,857)	(16,857)	(16,857)	(16,857)	(16,857)
	1.19	1.19	1.12	1.14	1.17	1.19	1.22	1.24	1.27	1.29	1.34	1.36	1.39	1.42	1.45	1.48	1.51	1.54	1.57	1.61	
CASH FLOW after DSC	15,269	14,698	3,616	7,506	11,478	15,532	19,671	23,896	28,209	32,613	59,873	64,463	69,148	73,932	78,815	83,801	88,891	94,088	99,394	104,811	
Rent to Town (50% cashflow)	7,635	7,349	1,808	3,753	5,739	7,766	9,835	11,948	14,105	16,307	29,937	32,231	34,574	36,966	39,408	41,901	44,446	47,044	49,697	52,405	



HOMEOWNER'S
REHAB, INC.

August 4, 2003

Don P. Johnson, Town Manager
Acton Town Hall
Town Manager's Office
472 Main Street
Acton, MA 01720

RE: Proposal for the Long-Term Lease and Renovation of the Towne Building Property

Dear Mr. Johnson:

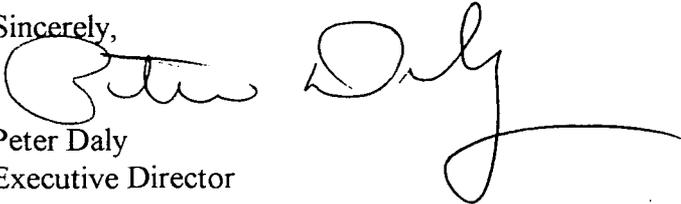
It is with pleasure, that on behalf of Homeowner's Rehab, Inc. I submit this preliminary proposal for the redevelopment of this property into mixed-income, affordable housing. We admire the foresight to convert this property to address the affordable housing needs of your community.

Homeowner's Rehab, Inc. is a non-profit community development corporation that for more than 30 years, has been addressing the housing needs for Cambridge's low, moderate, and middle-income households. In this time, we have developed more than 1,400 apartments, condominiums, and cooperatives, and we presently own 870 housing units. Many of our developments serve a range of income groups, from low income to market. As developer, HRI is involved in all phases -- from planning to construction to occupancy to asset management. HRI's Board of Directors recently authorized the staff to provide affordable housing in other Massachusetts communities.

We have selected the architectural firm of Mostue and Associates to work with us. They have an expertise in affordable housing developments, in adaptive reuse, and in historic restoration. They are also sensitive to developing "green buildings" that conserve energy and other limited resources, such as water.

This proposal is less comprehensive than you may have wished; we would like to work with the Town to collectively decide which approach will result in the best development for the Town. We hope we have an opportunity to meet with you and the members of the Acton Community Housing Corporation to discuss this in greater detail.

Sincerely,


Peter Daly
Executive Director



HOMEOWNER'S REHAB, INC.
280 Franklin Street
Cambridge, MA 02139

September 12, 2003

Town of Acton
Towne Building Selection Committee
c/o ACHC
P.O. Box 681
Acton, MA 01720

Dear Sirs and Madams:

Thank you for your continued interest in our proposal. Both during the August 28 interview and subsequently, we've learned more about the property, and we continue to be interested in redeveloping it as affordable housing. With this letter we will address the questions you posed, and there is additional material that we are sending by fax.

We've revised our earlier financial models based on this new information. We're submitting a revision of our previous Scenario #1. Please note the following changes:

- On the development budget, we've increased the construction budget for additional costs associated with historically-approved rehab standards, and prevailing wages. We've added some soft costs for a Historic Consultant and for the processing fee to the National Park Service to pursue Historic Tax Credits. We've slightly raised the developer's overhead and fee, keeping to the same percentage of total development costs as before.
- On the operating budget, we increased the water and sewer charges based on the information learned at the interview, but reduced the amount slightly due to a lower bedroom count.
- On the sources of financing, the higher operating costs reduced the amount of the first mortgage we could carry. On the assumption that we'll be able to secure Historic Tax Credits, we increased the amount of tax credit equity raised, and eliminated the use of CPA funds, per the Town's request. Other financing sources continue to be DHCD HSF or HOME funds (unchanged), Mass. Affordable Housing Trust funds (slightly higher) or CDBG/CDF II, the Developer's Fee loan (slightly higher), and an energy conservation rebate (unchanged).

1. Pursuant to discussions at the interview on August 28, are there any changes in the Lease that would be mandatory conditions for HRI undertaking the development of the Towne Building? A marked up copy of the lease would be helpful.

We have reviewed the lease again, and via fax are sending a marked up copy with our comments. There are some items with cost implications that need clarification from the Town, so that we know that our budgets are appropriate. They are noted in the mark-up. Please note that the lease would need to be approved by our lenders and our attorney prior to execution.

2. How would HRI replace Local CPA funding in the proposal?

**TOWNE SCHOOL BUILDING
REUSE
AS AFFORDABLE HOUSING**

**Proposal for Long-Term Lease and Renovation of
Towne Building Property
Acton, Massachusetts**

Submitted by:
HOMEOWNER'S REHAB, INC.
280 Franklin Street
Cambridge, MA 02139

Submitted on:
August 4, 2003

Towne School Apartments
Acton, Massachusetts

Homeowner's Rehab, Inc. (HRI) is pleased to present this preliminary proposal to develop the vacant Towne Building into 18 units of mixed income apartments including those that serve low, moderate, and middle income families. We are submitting information about our concept for the redevelopment of this site. The information is not as complete as was requested, because we believe there are some options, and we would like to have the opportunity to engage the Town in making some of these decisions. We believe that in doing so, we can best produce housing that meets the needs of the community.

Design

HRI proposes the redesign of the school interior to be a mix of one, two, and three bedroom units. The unit mix includes seven (7) one-bedroom apartments, eight (8) two-bedroom, and three (3) three-bedroom units for families.

The scope of the construction includes the restoration of the building's historic exterior and the gut renovation of the interior. Given the proximity to the public schools, we strove to maximize the number of family-sized units, and are able to include three (3) three-bedroom and eight (8) two-bedroom units. In addition, the building will be configured to include a two-bedroom wheelchair-accessible unit. We've included four private outdoor spaces for the ground-floor three-bedroom apartments, the wheelchair accessible apartment, and another ground-floor two-bedroom apartment. Other areas around the building will be open to the public and will be landscaped. The main entry to the building will be on the Massachusetts Avenue side of the building.

We've included an alternative schematic site plan to demonstrate the maximum number of spaces that would fit on the site, given the design guidelines and proposed lot line. The Town wishes that all parking is to be on the eastern side of the property. Based on the survey provided by the Town, we understand that the leased area will extend 70' from the east side of the building. Double-sided parking lots with two-way traffic are typically about 70' wide, and we believe that minimally a sidewalk and landscaped buffer is appropriate between the building and the parking area. We were able to include 33 parking spaces (including two spaces designed for handicapped access), which allows for 1.5 spaces for each one-bedroom apartment, and 2 spaces for each two- and three-bedroom apartment.

Mostue and Associates is providing architectural services. They have extensive experience in designing affordable housing and adaptive reuse of properties, including historic structures. Mostue and Associates makes a strong commitment to energy

conservation and “green” buildings. A description of the firm’s profile is included, as are resumes of the principal and staff assigned to this project.

Affordability and Financing

We understand that the Town seeks to provide a sizable percentage of affordable housing within a mixed-income development. We believe the Town has several alternatives. We’ve presented two options.

The first alternative, and the one we recommend is to finance 67% of the apartments for households under the Section 8 and Tax Credit Programs. The household income guidelines are up to 50% and 60% of area median income. We have set initial rent levels for the remaining apartments at levels affordable to households at or below 80% median income, although depending on the Town’s wishes, we do not necessarily need to restrict occupancy to that income group. We believe these rent levels to be fairly close to market rents in the presently soft rental market.

In addition to the equity raised through an award of tax credits, this alternative assumes between \$750,000 and \$1,125,000 in State resources, likely through the HOME Program, or Housing Stabilization Fund, and Affordable Housing Trust Fund. We would also hope to receive a commitment of at least \$300,000 in Community Preservation Act funds from the Town. Combined with expected energy rebates, a loan of part of the developer’s fee, and first mortgage financing, we believe this to be a competitive financing scenario.

The second scenario more closely follows the affordability structure outlined in the RFP. This scenario also has five (5) apartments receiving Section 8 rental assistance, and seven (7) additional apartments reserved for households earning up to 80% area median income. The initial rent levels for the other six (6) apartments were set at levels affordable to households at or below 80% median income, although again, depending on the Town’s wishes, we do not necessarily need to restrict occupancy to that income group.

The second scenario assumes a significantly higher commitment of State resources, of between \$1,550,000 and \$2,090,000. Sources would need to include HOME or Housing Stabilization Fund, and Affordable Housing Trust Fund and Community Development Funds II Program. This last program is a CDBG program for the Town. Again, we would also hope to receive a commitment of at least \$300,000 in Community Preservation Act funds from the Town. Combined with expected energy rebates, a loan of part of the developer’s fee, and first mortgage financing, we believe this to be a less competitive financing model, due to the heavy reliance on multiple state programs.

The financial plans that HRI submitted includes a variety of state, local, and private resources necessary to complete the project. We are prepared to work closely with the Town to decide between them, and to submit funding applications if our proposal is selected.

Construction

Construction costs are based on comparable projects that are similar in scale and amenities to this. All work and materials will be high quality, selected for their durability, cost effectiveness, and attractiveness. We would expect to select a general contractor through a competitive process, and it is premature for us to have done so yet.

Property Management

HRI will work with the local housing authority in the selection of Section 8 residents and HRI will complete an affirmative marketing plan that identifies how we are going to conduct outreach to our target group, families. Preference for Acton residents, to the extent permissible by law, will be included.

HRI presently works with three distinct management agents that manage the properties we've developed. Winn Management manages 95% of our rental properties and we would expect that they will likely manage this development. They have a long history of successfully managing affordable housing developments and have considerable experience with the monitoring of the tax credit developments if we are to submit to the state for tax credits. HRI will provide asset management services to insure the properties continued success as quality affordable housing.

Proposed Lease and Timing

To meet the affordability goals and to make the project feasible we have assumed a modest annual rental price from the Town as well as reduced assessments based on the affordability restrictions of the development. We understand that the proposed term of the lease is 50 years.

HRI staff have read the lease and do not expect to need to make extensive changes. We have not had our attorney review it as of this point. We expect to finalize the terms of the lease within 90 days of developer selection. We expect to execute the lease at the construction loan closing.

The next round of state financing has an application deadline of September 4, 2003. It is unlikely that we would be prepared to submit a competitive application within that time frame. Instead, we would be fully prepared with a complete, well thought-out application in the Spring round. If successful in that round, we would then apply for Mass. Affordable Housing Trust Funds. We expect to start construction in the Winter of 2005, and complete construction and achieve occupancy the following year.

Towne School Apartments

Design Concept

DESIGN INFORMATION

- Eighteen (18) Units on Two Floors
- Seven (7) One-Bedroom Units
- Eight (8) Two-Bedroom Units (including one wheelchair accessible unit)
- Three (3) Three-Bedroom Units
- Thirty-three (33) Parking Spaces (including two handicapped accessible)
- Laundry Room on Ground Floor

First Floor:

- Unit 101: 1-Bedroom 728 SF
- Unit 102: 1-Bedroom 812 SF
- Unit 103: 2-Bedroom 760 SF
- Unit 104: 1-Bedroom 530 SF
- Unit 105: 2-Bedroom Duplex 1,310 SF
- Unit 106: 1-Bedroom 806 SF
- Unit 107: 2-Bedroom Accessible 1,244 SF
- Unit 108: 3-Bedroom 1,080 SF
- Unit 109: 3-Bedroom 1,080 SF
- Common Laundry Room
- Janitor's Closets

Second Floor:

- Unit 201: 2-Bedroom 932 SF
- Unit 202: 2-Bedroom 932 SF
- Unit 203: 3-Bedroom 1,280 SF
- Unit 204: 1-Bedroom 840 SF
- Unit 205: 2-Bedroom 1,050 SF
- Unit 206: 1-Bedroom 700 SF
- Unit 207: 2-Bedroom 900 SF
- Unit 208: 1-Bedroom 600 SF
- Unit 209: 2-Bedroom 870 SF
- Mechanical Rooms
- Janitor's Closet

Development Team Summary

Developer: **Homeowner's Rehab. Inc.** 501c3
280 Franklin St.
Cambridge MA. 02139

contact persons: Peter Daly, Executive Director
Shelly Dein, Project Manager

telephone/fax (617) 868-4858
(617) 868-1022

Architect: **Mostue & Associates**
240A Elm St.
Somerville, MA.02144

contact persons: Clifford Boehmer, Vice President and Principal
Iric Rex, Associate

telephone/fax (617) 628-5700
(617) 628-1717

Property Manager **Winn Residential**
6 Faneuil Hall Marketplace
Boston, MA.02116

contact person: Martin Raffol, Senior Vice President

telephone/fax: (617) 742-4500
(617) 742-0725

See attachments for organizational profiles

Towne School Apartments

Financing Plans

FINANCIAL SCENARIO #1

Unit Designation	50% median income	60% median income	80% median - market	Total
1-Bedroom	1	3	3	7
2-Bedroom	2	3	3	8
3-Bedroom	2	1	0	3
Total Units	5	7	6	18

Rental Income	50% median income*	60% median income	80% median - market
1-Bedroom	1,074	818	945
2-Bedroom	1,343	981	1,174
3-Bedroom	1,680	1,134	none

* set at FMR

ACTON

SCENARIO #1

Towne School Reuse =====		TOTAL	PER RESID UNIT:
DEVELOPMENT BUDGET =====			18
Acquisition		\$0	0
Hard Costs:			0
Construction Costs		2,375,000	131,944
Construction Contingency	15%	356,250	19,792
		-----	0
TOTAL CONSTRUCTION COSTS		\$2,731,250	151,736
			0
Soft Costs:			0
Architectural/Engineering	7%	191,188	10,622
			0
Construction Loan Interest:		60,000	3,333
Predevelop Loan Interest		5,000	278
Owners Legal		100,000	5,556
Lenders Legal		33,000	1,833
Title Insurance Policy		12,000	667
Title & Recording Fees		incl above	0
21E: Environmental Engineer		10,000	556
Permits and Survey		10,000	556
Clerk of Works		72,800	4,044
Inspecting Engineer		10,000	556
Bldrs Risk, Gen Liability Insurance		20,000	1,111
R E Taxes		10,000	556
Construction Period Utilities, Maintenance incl: Heat, Elec, Water, Etc		50,000	2,778
Loan Fees/Points/Application Fees		26,000	1,444
Appraisal and Market Study		13,000	722
Accounting, Cost Certif		20,000	1,111
Marketing		10,000	556
Security		7,500	417
Relocation		0	0
Soft Cost Contingency	5%	33,024	1,835
Organizational Expenses: Sponsor's Overhead		150,000	8,333
Sponsor's Fee		150,000	8,333
Syndication Consultant and Legal		40,000	2,222
Capitalized Operating and Replacement Reserve		68,265	3,793
		-----	-----
TOTAL SOFT COSTS		\$1,101,777	\$61,210
		-----	-----
TOTAL DEVELOPMENT COSTS (USES)		\$3,833,027	212,946
			0
TOTAL DEVELOPMENT SOURCES (Permanent)		3,835,000	213,056
SURPLUS (GAP)		\$1,973	110

Towne School Reuse
Sources of Funds

Per Afford Unit

SCENARIO #1

		12	Principal	Rate	Amort	Term	Payment
PERMANENT FINANCING: SYNDICATION							
First Mortgage			\$1,114,000	7.50%	30	20	\$93,471
DHCD-HOME/HSF Funds: \$750K Max	Min # <80%	12	62,500	\$750,000			\$0
Add'l MA Affordable Housing Trust Fund (\$50K/unit) or more CPA			31,250	\$375,000			\$0
Local Contribution: CPA			25,000	\$300,000			\$0
Energy Rebate				\$21,000			\$0
Developers Fee Loan				\$75,000			\$0
Tax Credit Equity	# <60%	12	100,000	\$1,200,000			\$0
TOTAL SOURCES:			3,835,000				\$93,471
SURPLUS/GAP			1,973				

Local Resources: Range	300,000	675,000
State Resources: Range	750,000	1,125,000

Towne School Reuse	Per Unit	18
OPERATING EXPENSES		
Lease	1	18
Renting Expenses	125	2,250
Administrative Expenses	2125	38,250
Utility Expenses	1400	25,200
Operating and Maintenance Expenses	2180	39,240
Taxes	611	10,998
Insurance	500	9,000
Reserves	360	6,480
TOTAL OPERATING EXPENSES	7,302	131,436

OPERATING BUDGET: Annual Monthly

		Annual	Monthly
OPERATING INCOME:			
1 1-BR	Sec 8	12,888	1,074
3 1-BR	60%	29,448	818
3 1-BR	Market	34,020	945
2 2-BRs	Sec 8	32,232	1,343
3 2-BRs	60%	35,316	981
3 2-BRs	Market	42,264	1,174
2 3-BR	Sec 8	40,320	1,680
1 3-BR	60%	13,608	1,134
18			
GROSS INCOME		240,096	9,149
Vacancy: Residential	4.00%	(9,604)	
Laundry Income		3,744	
EFFECTIVE GROSS INCOME		234,236	
OPERATING EXPENSES		131,436	
NET OPERATING INCOME		102,800	
DEBT SERVICE - Permanent			
First Mortgage		93,471	
Other Mortgages		0	
Total Debt Service		93,471	
DEBT SERV COV RATIO		1.100	
NET CASH FLOW		9,329	

FINANCIAL SCENARIO #2

Unit Designation	50% median income	80% median income	80% median - market	Total
1-Bedroom	1	3	3	7
2-Bedroom	2	3	3	8
3-Bedroom	2	1	0	3
Total Units	5	7	6	18

Rental Income	50% median income*	80% median income	80% median - market
1-Bedroom	1,074	945	945
2-Bedroom	1,343	1,174	1,174
3-Bedroom	1,680	1,410	none

* set at FMR

ACTON

SCENARIO #2

Towne School Reuse

PER RESID

DEVELOPMENT BUDGET		TOTAL	UNIT:
			18
Acquisition		\$0	0
Hard Costs:			0
Construction Costs		2,375,000	131,944
Construction Contingency	15%	356,250	19,792
			0
TOTAL CONSTRUCTION COSTS		\$2,731,250	151,736
			0
Soft Costs:			0
Architectural/Engineering	7%	191,188	10,622
			0
Construction Loan Interest:		60,000	3,333
Predevelop Loan Interest		5,000	278
Owners Legal		100,000	5,556
Lenders Legal		33,000	1,833
Title Insurance Policy		12,000	667
Title & Recording Fees		incl above	0
21E: Environmental Engineer		10,000	556
Permits and Survey		10,000	556
Clerk of Works		72,800	4,044
Inspecting Engineer		10,000	556
Bldrs Risk, Gen Liability Insurance		20,000	1,111
R E Taxes		10,000	556
Construction Period Utilities, Maintenance incl: Heat, Elec, Water, Etc.		50,000	2,778
Loan Fees/Points/Application Fees		26,000	1,444
Appraisal and Market Study		13,000	722
Accounting, Cost Certif		10,000	556
Marketing		10,000	556
Security		7,500	417
Relocation		0	0
Soft Cost Contingency	5%	32,524	1,807
Organizational Expenses: Sponsor's Overhead		150,000	8,333
Sponsor's Fee		150,000	8,333
Syndication Consultant and Legal		0	0
Capitalized Operating and Replacement Reserve		68,265	3,793
TOTAL SOFT COSTS		\$1,051,277	\$58,404
TOTAL DEVELOPMENT COSTS (USES)		\$3,782,527	210,140
			0
TOTAL DEVELOPMENT SOURCES (Permanent)		3,783,331	210,185
SURPLUS (GAP)		\$804	45

Towne School Reuse

Sources of Funds

	Per Afford Unit	SCENARIO #2		Amort	Term	Payment
		Principal	Rate			
PERMANENT FINANCING: NONTAXCREDIT	12					
First Mortgage		\$1,297,331	7.50%	30	20	\$108,854
DHCD-HOME/HSF Funds: \$750K Max Min # <80%	12	62,500	\$750,000			\$0
Add'l MA Affordable Housing Trust Fund (\$50K/unit max) or more CPA		45,000	\$540,000			\$0
CDBG: Community Develop Funds II Program (\$800K max)		66,667	\$800,000			\$0
Local Contribution: CPA		25,000	\$300,000			\$0
Energy Rebate			\$21,000			\$0
Developers Fee Loan			\$75,000			\$0
Tax Credit Equity	0		\$0			\$0
TOTAL SOURCES:		3,783,331				\$108,854
SURPLUS/GAP		804				

Local Resources: Range	300,000	840,000
State Resources: Range	1,550,000	2,090,000

Towne School Reuse	Per Unit	18
OPERATING EXPENSES		
Lease	1	18
Renting Expenses	125	2,250
Administrative Expenses	1,975	35,550
Utility Expenses	1,400	25,200
Operating, Maintenance Expenses	2,180	39,240
Taxes	611	10,998
Insurance	500	9,000
Reserves	360	6,480
TOTAL OPERATING EXPENSES	7,152	128,736

OPERATING BUDGET:	Annual	Monthly
OPERATING INCOME:		
1 1-BR Sec 8	12,888	1,074
3 1-BR 80%	34,020	945
3 1-BR Market	34,020	945
2 2-BRs Sec 8	32,232	1,343
3 2-BRs 80%	42,264	1,174
3 2-BRs Market	42,264	1,174
2 3-BR Sec 8	40,320	1,680
1 3-BR 80%	16,920	1,410
18 GROSS INCOME	254,928	9,745
Vacancy: Residential 4.00%	(10,197)	
Laundry Income	3,744	
EFFECTIVE GROSS INCOME	248,475	
OPERATING EXPENSES	128,736	
NET OPERATING INCOME	119,739	
DEBT SERVICE - Permanent		
First Mortgage	108,854	
Other Mortgages	0	
Total Debt Service	108,854	
DEBT SERV COV RATIO	1.100	
NET CASH FLOW	10,885	

Towne School Apartments

Implementation Schedule

TOWNE SCHOOL DEVELOPMENT ACTON, MA.	
PROJECT SCHEDULE	MONTH/YR
Developer Selection by Town	8/03
PRECONSTRUCTION PERIOD	
Refine program with Town	9/03
Existing conditions survey, Zoning Review	9/03
Finalize Lease Terms	11/03
Market Study	12/03-2/04
Apply for Public Financing	
Tax Credit (Scenario #1)	11/03-2/04
DHCD/ Home Funds	11/03-2/04
CDBG (Scenario #2)	9/03-1/04
CPA	12/03-2/04
Apply for Additional Financing	
Energy Rebates	12/03-2/04
Affordable Housing Trust Fund	6/04
Prepare Schematic Design	
Refine Schematic Design	11/03-2/04
Town meeting/Review Process	11/03-2/04
Unit Price Cost Estimates	11/03-2/04
Final Schematics	3/04
Prepare Design Development	
Prepare Design Development Documents	6/04-7/04
Town meeting/Review Process	6/04-7/04
Unit Price/Cost estimates	6/04-7/04
Final Design Development Documents	8/04
Secure Funding Commitments	
Secure Most State Funds (Tax Credit, HOME)	6/04
Secure MA Affordable Housing Trust	8/04
Lenders Issue Legal Documents	8/04
Secure Private Funding Commitments	
Secure First Mortgage Commitment	8/04
Lender Issues Legal Documents	8/04
Secure Equity Financing	
Public/Private/Equity	6/04-8/04
Construction Documents	
Complete Construction Documents	8/04-10/04
Town meeting/Review Process	8/04-10/04
Prepare Construction Bid Package	10/04
Select Contractor	11/04
Prepare for Construction Start	
Award Construction Contract	11/04
Execute Lease	12/04
Prepare for Closing	8/04-12/04
CONSTRUCTION START	
	1/05
Marketing	
	6/05-2/06
Rental Lease Up	
	11/05-2/06
CONSTRUCTION COMPLETION	
	1/06
OCCUPANCY	
	2/06

Towne Building Selection Committee

Acton Community Housing Corporation

(achc@town.acton.ma.us)

Town of Acton

(dcharter@town.acton.ma.us)

August 28, 2003

Selection Committee members:

Don Johnson (absent)	Town Manager	978-264-9612
Dean Charter	Director of Municipal Properties	978-264-9629
Bob Johnson	Board of Selectmen	
Mary Ann Ashton	Acton School Committee	
Betty McManus	ACHC, Executive Director	
	Acton Housing Authority	978-263-4776
Nancy Tavernier	Chair, ACHC	
Bob Whittlesey	ACHC	
Dan Buckley	ACHC	
Ryan Bettez	ACHC	

Interview #1	4:15PM to 5:25PM	20 minute presentation 50 minutes for Q & A
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Interview #2	7:00PM to 8:10PM	20 minute presentation 50 minutes for Q & A
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Selection Committee discussion

5:45PM to 6:45PM

8:15PM to 9:30PM

Towne Building Committee
August 28, 2003

AGENDA

4:00PM	Gathering and introductions RFP process (Dean) Selection Criteria	Nancy
4:15	Interview #1 Women's Institute 20 minute presentation (Nancy will time)	Lynn Peterson, Angela Brown
4:35PM	Questions and answers prepared questions member questions	Bob Whittlesey will moderate
5:25PM	Close interview	
5:30PM	Supper break and discussion	Committee discussion led by Nancy
6:50PM	Reconvene	
7:00PM	Interview #2 Homeowners' Rehab 20 minute presentation (Nancy will time)	Shelley Dein, ?
7:20PM	Questions and answers prepared questions member questions	Bob Whittlesey will moderate
8:10PM	Close interview	
8:20PM to 9:30PM or later	Committee discussion	Nancy will lead
	Adjournment	

VII EVALUATION CRITERIA (excerpt from RFP)

Submissions must meet the following minimum threshold criteria:

1. Proposal must be complete and conform to all submission requirements. **(Dean advises there is some flexibility about this criteria for RFP's)**
2. Developer must have a minimum of seven years experience in development of affordable housing.
3. Certification of compliance by Developer and all of its affiliates with all state and local taxes (form Attachment F).
4. Developer must be available to commence work on the Project including preparation of design drawings, applications for funding and permits (as defined in the Lease) within thirty days of selection and prepared to sign Lease within 90 days of selection.
5. Proposal must meet Minimum Affordability Commitment, as stated in Goals and Guidelines above.

Proposals meeting the minimum criteria will then be judged on the following additional competitive evaluation criteria:

- a. Programmatic guidelines. Manner in which proposal meets program requirements and quality of architectural and site design.
- b. Affordability. Extent to which the Project exceeds the Minimum Affordability Commitment.
- c. Developer's capacity. Ability of the development team to complete the Project successfully as proposed and in a timely manner, as evidenced by track record developing affordable housing and overall financial qualifications. The track record will be evaluated in terms of experience securing funding proposed in plan, outcome of comparable projects (time, budget, design), experience obtaining comprehensive permits, experience working with volunteer boards of directors, evaluation of proposed property management, and reference checks.
- d. Financial capacity. Financial capacity will be evaluated with regard to prior experience financing real estate development, including securing any necessary interim financing, ability to provide any equity contribution projected in the Sources and Uses Budget, and ability to secure financing as evidenced by letter(s) from prospective lender(s) and other supporting material. Review of all other real estate owned and any bankruptcy within the past ten years by any member of the development team.
- e. Architect and Engineer. Proposed architects and engineers must have had experience that qualifies them for design and supervision of a two-story masonry reconstruction project. A demonstrated record of designing within budgets and

with minimal changes during construction will be favored. Resumes of principals and senior staff assigned to the Project will be evaluated.

- f. General Contractor. Proposed contractor must be qualified to undertake a two million dollar alteration project and must provide payment, performance and lien bonds in a form, and from a surety, satisfactory to the Town. Contractor's record of finishing projects on time and within budget will be considered. Qualifications of senior managers and supervisory staff will be considered.
- g. Management. Proposed management agent must be capable of managing a small development, have a record of prompt and effective service and repair delivery, skilled in coordination of resident services that may be required and a proven property management experience with affordable housing. Prior experience with affordable housing is important. References from owners of other developments currently being managed and reputation with public agencies and lenders will be considered.
- h. Feasibility of proposed Project. Evaluation will include analysis of development budget, demonstrated ability to resolve environmental and permitting issues, acceptability of designs by regulators, lenders and funders, likelihood of obtaining proposed financing for construction and soft costs as estimated, analysis of operating budget and adequacy thereof, reasonableness of management, administrative, maintenance and utility costs and adequacy of reserve allowances.
- i. Market Analysis. Comparability of proposed rents, affordability for target households, proposed rent-up period, proposed future rent increases and vacancy allowances.
- j. Site and Building Design. Evaluation of the proposed design will be evaluated on how well the proposed design complies with requirements of this RFP and responds to site conditions, historical restorations requirements, and likely design requirements of public agencies; architectural merit of unit designs, quality of proposed construction; site planning; analysis of zoning and regulatory changes required and ability to file and defend applications for changes. Demonstrated experience working with local building departments is important.
- k. Proposed project development schedule. Projects with faster development schedules will be preferred.
- l. Proposed Rent. Evaluation will include an analysis of the rent offered by the proposer. Proposers offering a higher annual rent will be preferred.
- m. Requested Changes to Lease. Evaluation will include an analysis of changes to the Lease requested by the proposer. Proposers requesting fewer substantive changes to the Lease will be preferred.

HRI

HOMEOWNER'S
REHAB, INC.

August 29, 2003

Betty McManus, Executive Director
Acton Community Housing Corporation
c/o Acton Housing Authority
68 Windsor Avenue
Acton, MA 01720

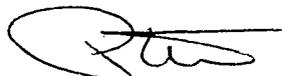
Dear Ms. McManus,

We want to thank you and the entire Towne Building Selection Committee for your consideration of our proposal to redevelop the Towne School Building into affordable housing. The discussion last night was very helpful for us to learn more about the Town's concerns and desires for the site. We believe that if we are given the opportunity to work with the Town, that together we can redevelop the site into an important and successful asset for Acton, that reflects the community's wishes.

We hope that the interview also gave the Selection Committee more information about HRI, our team, and our preliminary plan. Although our offices are 30 minutes from the school, we want to assure you that if we are chosen, this project will get the careful attention that our work is known for, during the planning, construction, and operation phases.

Should you have any further questions, please contact us. And please extend our thanks to the entire Selection Committee.

Sincerely,



Peter Daly
Executive Director



Shelly Deir
Project Manager



Sincerely,

Don P. Johnson
Town Manager etc.

Peter Daly, Executive Director
Homeowner's Rehab, Inc.
280 Franklin St.
Cambridge, MA 02139

Dear Peter:

The Town of Acton is pleased to inform Homeowner's Rehab that you have been approved by the Board of Selectmen as the developer for the Towne Building Reuse for housing. The Selection Committee voted to recommend your firm to the Board who approved it at their meeting on Sept. 22. The Town has great confidence in your ability to bring this project to fruition and we look forward to working with you.

The Acton Community Housing Corporation will be developing a list of action items and will schedule a meeting with you and the key players, including town staff, as soon as possible.

Congratulations on your selection. Thank you for your interest in the Town of Acton.

Sincerely,

Don P. Johnson
Town Manager, etc.



HOMEOWNER'S
REHAB, INC.

Towne School Reuse as Affordable Housing, Acton

FINANCIAL SCENARIO #1

Unit Designation	50% median income	60% median income	80% median - market	Total
1-Bedroom	1	3	3	7
2-Bedroom	2	3	3	8
3-Bedroom	2	1	0	3
Total Units	5	7	6	18
	28%	39%	33%	

Rental Income	50% median income*	60% median income	80% median - market
1-Bedroom	1,074	818 <i>1074</i>	945
2-Bedroom	1,343	981 <i>1343</i>	1,174
3-Bedroom	1,680	1,134 <i>1680</i>	none
	* set at FMR		

Acton Section 8
1,181
1,477
1,848

10/20

Proposed Funding

State Financing:

Tax Credit Allocation	
HOME Funds	\$750,000
MA Affordable Hsg Trust	\$375,000
Total:	\$1,125,000 plus tax credit allocation

Local Contribution: CPA **\$300,000**

Other Sources:

Tax Credit Equity	\$1,200,000
First Mortgage	\$1,114,000
Developer's Fee	\$75,000
Energy Rebate	\$21,000
Total:	\$2,410,000

THIS AGENCY IS
SUPPORTED BY



UNITED WAY
OF MASSACHUSETTS

HRI

HOMEOWNER'S
REHAB, INC.

Towne School Reuse as Affordable Housing, Acton

FINANCIAL SCENARIO #2

Unit Designation	50% median income	80% median income	80% median - market	Total
1-Bedroom	1	3	3	7
2-Bedroom	2	3	3	8
3-Bedroom	2	1	0	3
Total Units	5	7	6	18
	28%	39%	33%	

Rental Income	50% median income*	80% median income	80% median - market
1-Bedroom	1,074	945	945
2-Bedroom	1,343	1,174	1,174
3-Bedroom	1,680	1,410	none
	* set at FMR		

Proposed Funding

State Financing:	HOME Funds	\$750,000
	MA Affordable Hsg Trust	\$540,000
	CDBG: ComDevFunds II	\$800,000
	Total:	\$2,090,000

Local Contribution: CPA **\$300,000**

Other Sources:	First Mortgage	\$1,297,000
	Developer's Fee	\$75,000
	Energy Rebate	\$21,000
	Total:	\$1,393,000

THIS AGENCY IS
SUPPORTED BY



UNITED WAY
OF MASSACHUSETTS

**Town of Acton
Towne Building Selection Committee
c/o ACHC
P.O. Box 681
Acton, MA 01720**

September 3, 2003

Peter Daly
Shelly Dein
Homeowners Rehab Inc.
280 Franklin St.
Cambridge, MA 02139

Dear Peter and Shelly,

Thank you for meeting with the Towne Building Selection Committee on August 28. It is very exciting for us to finally move forward with our plan to reuse the vacant school building for affordable housing. The members of the committee all learned a lot from this session. As we mentioned, we are following up with a set of questions to allow you to give us additional background and thoughts on your proposal for the reuse.

We would like to receive your answers by Friday, September 12 via email if possible to allow us to distribute it quickly to the members. You may reply to my email below or to all of the contact people listed if you choose. You may also contact any of us should you have questions in the meantime. If FAX is a better method, send your answers to the Town Hall FAX at **978-264-9630** to the attention of **Dean Charter** but please also email me at that time so that I can arrange to pick it up for distribution.

Contact people:

Nancy Tavernier	978-263-9611	ntavern@comcast.net
Dean Charter	978-264-9629	dcharter@town.acton.ma.us
Bob Whittlesey	978-897-0955	rbwhittlesey@earthlink.net
Betty McManus	978-263-4776	ahabetty@attglobal.net

We anticipate making a recommendation to the Acton Board of Selectmen at their next meeting on September 22 for the awarding of the contract on the reuse of Towne Building. We hope this timing will not present a problem.

Thank you for your interest in Acton's first municipal affordable housing development.

The Towne Building Selection Committee wishes to reaffirm the following terms and conditions that were in the RFP or as discussed at the interview on August 28, 2003.

- a. In accordance with agreements made with the School Committee and the Town, the Land Parcel Boundary on the east side of the building is fixed at 70 feet from the Building.
- b. Even though the Town has adopted the CPA program, no CPA funds can be anticipated initially for use in connection with the redevelopment of the Towne Building
- c. The 50 year term of the Lease for the building is set in the Home Rule Petition and cannot be adjusted.

QUESTIONS:

1. Pursuant to discussions at the interview on August 28, are there any changes in the Lease that would be mandatory conditions for HRI undertaking the development of the Towne Building? A marked up copy of the lease would be helpful.
2. How would HRI replace Local CPA funding in the proposal?
3. The Committee's understanding is that CDF II funding in Projects with more the six units would require prevailing wages. How would such a requirement affect your costs, proposed funding and rents? A One-Stop Pro forma would be helpful.
4. What funding strategies would HRI see as helpful in meeting the requirement that the building would be free of liens at the end of the 50-year term?
5. If Low Income Housing Tax Credits are involved, would HRI structure the limited partnership to allow the general partner to buy out the limited partners immediately after the limited investor's compliance period?
6. Did HRI do a market analysis to come up with the proposed rents?
7. If the open private yards were omitted, how would HRI utilize that space?
8. Does HRI see any way in which some community space can be provided?
9. What terms and conditions would apply to the Developer's Fee loan?

We would welcome any further comments that you wish to make that would clarify or augment your original proposal.

Thank you.

Sincerely,
Nancy E. Tavernier, Chair, ACHC

HOMEOWNER'S REHAB, INC.
280 Franklin Street
Cambridge, MA 02139

September 12, 2003

Town of Acton
Towne Building Selection Committee
c/o ACHC
P.O. Box 681
Acton, MA 01720

Dear Sirs and Madams:

Thank you for your continued interest in our proposal. Both during the August 28 interview and subsequently, we've learned more about the property, and we continue to be interested in redeveloping it as affordable housing. With this letter we will address the questions you posed, and there is additional material that we are sending by fax.

We've revised our earlier financial models based on this new information. We're submitting a revision of our previous Scenario #1. Please note the following changes:

- On the development budget, we've increased the construction budget for additional costs associated with historically-approved rehab standards, and prevailing wages. We've added some soft costs for a Historic Consultant and for the processing fee to the National Park Service to pursue Historic Tax Credits. We've slightly raised the developer's overhead and fee, keeping to the same percentage of total development costs as before.
 - On the operating budget, we increased the water and sewer charges based on the information learned at the interview, but reduced the amount slightly due to a lower bedroom count.
 - On the sources of financing, the higher operating costs reduced the amount of the first mortgage we could carry. On the assumption that we'll be able to secure Historic Tax Credits, we increased the amount of tax credit equity raised, and eliminated the use of CPA funds, per the Town's request. Other financing sources continue to be DHCD HSF or HOME funds (unchanged), Mass. Affordable Housing Trust funds (slightly higher) or CDBG/CDF II, the Developer's Fee loan (slightly higher), and an energy conservation rebate (unchanged).
1. Pursuant to discussions at the interview on August 28, are there any changes in the Lease that would be mandatory conditions for HRI undertaking the development of the Towne Building? A marked up copy of the lease would be helpful.

We have reviewed the lease again, and via fax are sending a marked up copy with our comments. There are some items with cost implications that need clarification from the Town, so that we know that our budgets are appropriate. They are noted in the mark-up. Please note that the lease would need to be approved by our lenders and our attorney prior to execution.

2. How would HRI replace Local CPA funding in the proposal?

We've been investigating the feasibility of seeking Historic Rehabilitation Tax Credits. We are pleased to learn that the Towne School has been determined eligible for listing in the National Register of Historic Places by the Mass. Historical Commission, so we expect that the building will qualify as a "certified historic structure". The rehab would need to comply with the Secretary of the Interior's Rehab Standards, and although it is premature to know exactly what that scope of work will entail, we've added an allowance to the construction budget. We have revised our sources and uses accordingly, and would hope to generate enough funds to eliminate the need for \$300,000 in CPA funds shown in our original budgets.

Although our revised budget shows no local funding, it has been our experience, that DHCD scores projects more favorably when there is a match of funds from the local municipality.

3. The Committee's understanding is that CDF II funding in Projects with more the six units would require prevailing wages. How would such a requirement affect your costs, proposed funding and rents? A One-Stop Pro forma would be helpful.

Via fax, we are sending a One-Stop Application: Sections 3, 4, 5, and the Project Summary Information Section. This One-Stop was modeled using LIHTC and Historic Tax Credits (a variation of Scenario #1 from our original submittal.) The construction costs are \$131/sf, before the contingency. We arrived at that cost based on conversations with contractors about recent costs for converting a historic school to housing, using prevailing wages. The need to use prevailing wages is determined by the funding sources we use. If we don't need to pay prevailing wages, the costs may be lower. We have not adjusted the rents from our earlier submittals.

4. What funding strategies would HRI see as helpful in meeting the requirement that the building would be free of liens at the end of the 50-year term?

With this requirement, we would need to make sure that none of our financing requires balloon payments at the end of their terms. The requirement that the building be free of liens at lease termination may be problematic for two reasons that we can think of. Firstly, as responsible landlords, we will continue to make capital improvements to the property so that it is well maintained. Some can be made from replacement reserves, but we would hope not to eliminate the option of financing some improvements in the later years if warranted, nor need to neglect the physical needs of the building. Secondly, we don't know yet what DHCD will require as a condition of their funding. Public lenders frequently provide deferred payment loans that are renewable only if the affordability is extended. Once the affordability is no longer guaranteed, the note is due and payable.

5. If Low Income Housing Tax Credits are involved, would HRI structure the limited partnership to allow the general partner to buy out the limited partners immediately after the limited investor's compliance period?

Yes. Our partnership agreements typically allow the general partner to buy out the limiteds at the end of the investors' compliance period.

6. Did HRI do a market analysis to come up with the proposed rents?

We did not undertake a formal market analysis, but instead for several weeks in July we tracked rental information through newspaper ads (Boston Globe and Acton Beacon) and internet listings. We also called some listing agents to determine the comparability of some listings before determining the market rents. Coincidentally, the market rents are set at levels affordable to households below 80% median income. We set the tax credit rents at 90% of the allowable amount, so that we had a marketing window. The rental assisted apartment rents were set at FMR.

7. If the open private yards were omitted, how would HRI utilize that space?

If the private yards were eliminated, we could create some common public outdoor space, expand the parking, or do a combination of both. Via fax we are sending sketch A that shows potential common outdoor spaces. The outdoor spaces would be designed for low-intensity uses, and might include benches for some seating, as well as some play space. We imagine creating a landscaped buffer and walkway to give some privacy to the apartments nearby. The outdoor space near the parking lot could be developed as additional parking for 4-5 more vehicles, alternatively.

8. Does HRI see any way in which some community space can be provided?

As mentioned above, we can create some outdoor common public space in lieu of open private yards. In Sketch B, we've expanded one of the closets off the central first floor hallway to create a small (approximately 9'x10') meeting room where a few people could meet (by slightly reducing the size of the 2-BR accessible apartment.) To create a larger meeting room for a tenants' meeting, for example, would require a minimum of 500 sf, so we would need to eliminate one 1-BR apartment. This would put pressure on the project's financial feasibility. With so many public buildings in close proximity, we wonder if it isn't more prudent to rent a room for the occasional larger meeting.

9. What terms and conditions would apply to the Developer's Fee loan?

We would expect the loan to be repaid through available cash flow. The lenders and equity investors on the project typically determine the size, terms and conditions of the developer's loan.

Thank you again for consideration of our proposal.

Sincerely,

Peter Daly, Executive Director
Shelly Dein, Project Manager

Via Fax: Marked-up Lease
One-Stop Application
Sketches A and B

HRI

HOMEOWNER'S
REHAB, INC.

September 12, 2003

Dean A. Charter
Town of Acton Municipal Properties Department
472 Main Street
Acton, MA 01720

Via FAX: 978-264-9630

RE: HRI Response to Towne Building Selection Committee Questions

Dear Dean,

I am hoping you've recently received HRI's response, via e-mail, to the questions posed by the Selection Committee on September 3.

Now, via fax, I'm forwarding:

- * Pages from the Proposed Lease with our handwritten comments (The first page lists all the pages with comments; I omitted pages where we had no comments.)
- * Sections 3, 4, 5, and Output Section from a One-Stop Application (pages 10-19 and A1-A8).
- * Two Sketches from Mostue & Associates

If any of the material doesn't arrive, please call me at 617-868-5848 x210. I phoned Nancy Tavernier to tell her I was going to fax this material to you.

Thank you for your assistance.

Sincerely,


Shelly Dein
Project Manager

Enc.



LEASE

This lease (this "Lease") is entered into as of this ___ day of _____, 200___, by and between the Town of Acton, a body politic and corporate of the Commonwealth of Massachusetts organized pursuant to Massachusetts General Laws Chapter 121B (the "Town of Acton") and _____, a _____ ("Tenant").

BACKGROUND

Pursuant to that certain Request for Proposals dated _____ (the "RFP"), The Town of Acton has accepted Tenant's proposal (the "RFP Response") for a lease of the Premises (as defined in Section 1.1 below) to renovate the existing improvements thereon and construct certain additional improvements for use as an affordable housing rental facility, subject to the terms and conditions set forth herein.

The Town of Acton and Tenant now agree as follows:

ARTICLE 1

PREMISES

1.1 Lease of Premises. The Town of Acton, for and in consideration of the covenants and agreements hereinafter contained on the part of Tenant to be paid, kept and performed, hereby leases to Tenant, and Tenant hereby leases from the Town of Acton, for the Term (as defined in Section 2.1 below) upon the terms and conditions set forth herein, the following described premises (hereinafter called the "Premises"):

A certain parcel of land (the "Land") located at the corner of Massachusetts Avenue and Charter Road in the Town of Acton, as more particularly described in Exhibit A attached hereto and made a part hereof and more particularly shown on the plan attached hereto as Exhibit B and made a part hereof; the existing two-story Towne School building (the "Building") and all other improvements, buildings, structures, utility lines not owned by the respective utility company, parking areas and fixtures that are now or hereafter located on, installed in, or attached to, the Land (collectively, the "Improvements"); and all easements, rights, privileges, licenses, covenants and other matters that benefit or burden the Land or the Improvements or the use or occupancy of the Land or the Improvements, whether or not of record.

1.2 Reserved Rights. The Town of Acton reserves the following rights and imposes upon Tenant the following obligations in connection with the Premises:

(a) Upon reasonable prior notice to Tenant, the Town of Acton shall have the right to access and enter upon the Premises for the purposes of inspection, complying with all applicable laws, ordinances, rules, regulations, statutes, by-laws, court decisions and orders and requirements of all public authorities and exercising any right reserved to the Town of Acton by this Lease. The Town of Acton shall use commercially reasonable efforts to minimize interference with or disruption of Tenant, Tenant's business, its occupants, its operators and its lessees.

Deleted: 02/28/03

-1-997964v2 06/23/03

HR1
Comments on pages
2, 3, 4, 7, 8, 10, 12, 13, 15, 16, 18, 19, 20, 24, 26, 27, 29, +31
Pages without comments omitted.

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1.3 Condition of the Premises. Tenant acknowledges that it has leased the Premises and agreed to perform the Initial Improvements (as defined in Section 3.1 below) after a full and complete examination of the Premises, including, without limitation, any encumbrances, subsurface conditions, existing structures thereon, if any, the presence of any asbestos or other Hazardous Materials (as defined in Section 12.4 below) located on, in or under the Premises or within such structures, legal title, their present uses and non-uses, and laws, ordinances, and regulations affecting the same and the ability of Tenant to use the Premises for their intended purposes, and accepts the same in the same condition in which they or any part thereof now are, and except as otherwise expressly provided in this Lease, waives all rights to object to the condition thereof and assumes all risks in connection therewith, without any representation or warranty, express or implied, in fact or by law, on the part of the Town of Acton, and without recourse to the Town of Acton.

ARTICLE 2

TERM

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2.1 Term. The Premises are hereby leased unto Tenant and its successors and assigns for a term (the "Term"), commencing on _____ (the "Commencement Date") and unless [extended or] earlier terminated in accordance with the provisions hereof, ending on _____, (the "Termination Date").

2.2 Early Termination. Tenant agrees that if construction of the Initial Improvements has not commenced (as defined in Section 3.1 below) by the Outside Construction Start Date (as defined in Section 3.1 below), the Town of Acton may elect to terminate this Lease upon thirty (30) days' written notice to Tenant; provided, however, that if the Initial Improvements are completed within such 30-day period, such termination notice shall be null and void and this Lease shall continue in full force and effect.

*assume
50 year term*

*assume
Commencement
Date is
construction
loan closing*

Deleted: 02/28/03

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ARTICLE 3
TENANT WORK

3.1 Initial Improvements. (a) Tenant shall commence work on the improvements (the "Initial Improvements") described in Exhibit C attached hereto and incorporated herein (the "Schematic Design Plans") as soon as reasonably possible following the Commencement Date but not later than one (1) year after the date hereof (the "Outside Construction Start Date"), which construction Tenant shall thereafter diligently and continuously prosecute to Final Completion (as defined below) in accordance with the Final Plans (as defined in Section 3.3 below) and as modified to meet Building Permit and other permit requirements (as set forth in Section 3.4(a) For purposes of this Lease, construction of the Initial Improvements shall be deemed to have "commenced" upon the commencement of actual physical work (including, without limitation, site work) on the Premises pursuant to a full, unconditional building permit for the construction of the Initial Improvements, and "Final Completion" of the Initial Improvements will be deemed to have occurred upon the issuance of a permanent certificate of occupancy for the Initial Improvements. The date upon which Final Completion of the Initial Improvements occurs shall be referred to herein as the "Final Completion Date."

(b) Notwithstanding the foregoing, if the commencement of the Initial Improvements is prevented or delayed beyond the Outside Construction Start Date because of strikes, lockouts, labor troubles, inability to procure materials, power failures, riots, insurrection, war, appeals or litigation relating to any comprehensive permit applications or other required permits or licenses necessary to construct and use the Initial Improvements for the Permitted Uses (as defined in Section 8.1, below), or other causes beyond Tenant's reasonable control (provided, however, that lack of money shall not be deemed such a cause) (collectively, "Force Majeure"), then the commencement of the Initial Improvements shall be excused for the period of delay and the Outside Construction Start Date shall be extended for an equivalent period.

3.2 Schedule of Performance. Subject to Force Majeure, the Initial Improvements shall be developed by Tenant in accordance with a time schedule approved by the Town of Acton (the "Schedule of Performance"), which approval shall not be unreasonably withheld, conditioned or delayed. Upon written request, Tenant shall submit to the Town of Acton on or before each deadline set forth in the Schedule of Performance satisfactory evidence that each deadline has been met. The satisfaction of the matters set forth in the Schedule of Performance by the dates set forth therefore is an essential part of this Lease. In the event that the Town of Acton grants an extension of any such date, which the Town of Acton may grant or withhold in its reasonable discretion, the Town of Acton shall not be deemed thereby to be waiving any other rights hereunder or implying the extension of any other dates.

3.3 Approval and Delivery of Final Plans. On or before the date specified in the Schedule of Performance, Tenant shall submit to the Town of Acton for approval proposed construction drawings for the Initial Improvements. The criteria used by the Town of Acton in approving or disapproving such construction drawings shall be consistent with the plans submitted as part of the RFP Response (the construction drawings approved by the Town of

schedules need to be flexible since performance affected by others - ie zoning, fundin

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RFP Response was conceptual

reasonably

1 Acton are hereinafter referred to as the "Final Plans"). Any disapprovals shall be accompanied
 2 by a written explanation setting forth in reasonable detail the reasons for disapproval. In the
 3 event the Town of Acton disapproves of any item, Tenant shall cause such item to be
 4 appropriately revised as soon as possible after receipt of a notice of disapproval and resubmit the
 5 same to the Town of Acton for approval pursuant to this Section 3.3. The Town of Acton and
 6 Tenant agree to cooperate reasonably and in good faith with each other to resolve any objections
 7 of the other to such item and/or requested modifications by the other.

8 **3.4 Required Permits.**

9 (a) Tenant shall obtain all permits, approvals and licenses from governmental
 10 authorities ("Required Permits") required for construction and use of the Initial Improvements,
 11 and for any other alterations, removals, installations, additions, changes, replacements or
 12 improvements to the Premises (collectively with the Initial Improvements, "Tenant Work"), and
 13 shall, upon written request, provide the Town of Acton with a copy of each. Upon full or partial
 14 completion of the Initial Improvements and prior to occupying any part of the Premises for any
 15 purpose other than performing the Initial Improvements, and upon completion of any other
 16 Tenant Work, Tenant shall obtain from each authority granting the Required Permits such
 17 evidence of approval ("Required Approval") as may be necessary to permit such part of the
 18 Premises to be used and occupied for the Permitted Uses (as defined in Section 8.1 below).
 19 Tenant may occupy all or part of the Premises under temporary or conditional certificates of
 20 occupancy, but shall not be relieved from the obligation of obtaining permanent certificates of
 21 occupancy for the Improvements or other similar licenses or permits required to permit the
 22 Premises to be used and occupied for the Permitted Uses.

23 (b) The Town of Acton, without cost to it, promptly shall execute and deliver
 24 any reasonable documents which may be necessary to obtain or maintain any Required Permit or
 25 Required Approval and shall further cooperate with Tenant in obtaining or maintaining any
 26 Required Permit or Required Approval, as Tenant may from time to time reasonably request;
 27 provided, however, that with the exception of zoning or other matters, where the Town of
 28 Acton's execution of petitions, application, appeals or other documents or joinder in proceedings
 29 may be required as a condition to Tenant's proposed action, the Town of Acton shall in no event
 30 be required to join in or become a party to any document or proceeding in which it will oppose
 31 the Commonwealth of Massachusetts or any agency, authority, branch, division, office or
 32 subdivision of or for the Commonwealth of Massachusetts, nor shall the Town of Acton be
 33 required in connection with any such document or proceeding or otherwise to oppose in any way
 34 any policy previously established by the Town of Acton nor to take a position inconsistent with a
 35 position previously taken and made public by the Town of Acton. As stated in the RFP, the
 36 Town of Acton will consider, reasonably and in good faith, any request by the Tenant to support
 37 the Tenant's filing of a Comprehensive Permit under M.G.L. Chapter 40B if required for the
 38 completion of the Initial Improvements and operation of the Premises for the Permitted Use.

*Projects needs
 a 40B.
 Can we get
 stronger
 commitment
 from Town
 than
 consideration*

39 (c) Tenant may contest, in good faith and on the same terms and conditions as
 40 provided in Section 8.4, the validity or applicability of any Legal Requirement (as defined in
 41 Section 8.3 below) which is the basis for any Required Permit or Required Approval.

42 **3.5 General Contractor; Development Team.** To the extent that the RFP Response

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RENT

4.1 Rent.

(a) Commencing on the Commencement Date and continuing thereafter throughout the Term, Tenant shall pay to the Town of Acton annual base rent ("Base Rent") in the amount of _____ Dollars (\$___), [which amount shall be paid in payments of _____ Dollars (\$___) on the first day of _____ in each calendar year thereafter during the Term OR in equal monthly installments of _____ Dollars (\$_____), partial months to be prorated]. [Base Rent shall be adjusted annually throughout the Term, as of the anniversary of the first day of the first full calendar month following the Commencement Date to the extent of any percentage change which occurred in the Consumer Price Index during the preceding twelve (12) months. The Town of Acton shall promptly notify Tenant of each Base Rent adjustment. For the purposes hereof, the Consumer Price Index shall mean the United States Bureau of Labor Statistics (the "Bureau") Consumer Price Index for All Urban Consumers, Boston Metropolitan Area, All Items (1982-1984=100). If the Consumer Price Index shall be converted to a different standard reference base or otherwise be revised, a determination of a Consumer Price Index Increase shall be made with the use of such conversion factor, formula or table as may be published by the Bureau or, if the Bureau shall not publish the same, then with the use of such conversion factor, formula or table as may be published by any nationally recognized publisher... of statistical information, reasonably selected by the Town of Acton. If the Consumer Price Index shall cease to be published, then there shall be substituted for Consumer Price Index any substitute or successor index published by the Bureau or other governmental agency, or if no such index is published, then such other index published by any nationally recognized publisher of statistical information as the Town of Acton shall reasonably select. The Consumer Price Index as of the Commencement Date or any anniversary thereof means the Consumer Price Index most recently published prior to the date in question.]

Propose \$1

(b) In addition, Tenant shall pay any fee, charge or other amount required to be paid by Tenant to the Town of Acton under this Lease as additional rent ("Additional Rent"). Base Rent and Additional Rent (collectively, "Rent") shall be paid without counterclaim, notice, demand, abatement or offset at the Town of Acton's address set out in Section 18.2. It is the intention of the parties that the Rent payable hereunder shall be net to Landlord.

Need estimate from Town.

4.2 Late Payments. Any payment of Rent due hereunder not paid when due shall bear interest for each month or fraction thereof from the due date until paid in full at the Default Rate.

4.3 Payments by Tenant. All costs, expenses, liabilities, charges or other deductions whatsoever with respect to the Premises and the construction, ownership, leasing, operation, maintenance, repair, replacement, rebuilding, use or occupation of the Premises or with respect to any interest of the Town of Acton in the Premises or this Lease shall be the responsibility of Tenant.

4.4 Rent to be Absolutely Net. It is the express understanding and agreement of the Town of Acton and Tenant that the Base Rent due and payable hereunder shall be absolutely net to the Town of Acton, so that this Lease shall yield to the Town of Acton the Base Rent specified

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1 above during the Lease Term, and that all expenses of every kind and nature whatsoever,
 2 whether ordinary or capital in nature, relating to the construction, ownership, leasing, operation,
 3 maintenance, repair, replacement, rebuilding, use and occupation of the Premises, during the
 4 Term of the Lease shall be paid by Tenant (including, but not limited to, Impositions, as defined
 5 in Section 5.1 below), without cost or obligation of any type to the Town of Acton whatsoever.

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 7
 8
 9

ARTICLE 5

TAXES AND UTILITIES

*Need estimate/
 agreement from
 Town of taxes
 + other charges*

10 5.1 Impositions. Tenant shall pay or cause to be paid as Additional Rent before any
 11 fine, penalty, interest or cost may be added thereto for the non-payment thereof, all taxes,
 12 assessments, special use or assessment district taxes, water and sewer charges, excises, levies,
 13 license and permit fees and all other governmental charges of any kind and nature which during
 14 the Term may be assessed, levied, imposed upon or become due with respect to, or become a lien
 15 on the Premises or the leasehold, or any part thereof, or any appurtenance thereto, and payments
 16 in lieu of such taxes, assessments, charges or fees, whether such charges are made directly to
 17 Tenant or through or in the name of the Town of Acton. All such charges shall be referred to
 18 herein as "Impositions." Tenant shall have the right to contest or object to the amount or
 19 validity of any Imposition but shall not withhold payment of any Imposition while any such
 20 contest or objection is pending. Tenant, upon request of the Town of Acton, shall furnish to the
 21 Town of Acton within thirty (30) days of the date when any Imposition would become
 22 delinquent, official receipts of the appropriate taxing authority, or other evidence reasonably
 23 satisfactory to the Town of Acton, evidencing payment thereof.

24 5.2 Personal Property Taxes. Tenant shall pay promptly when due all taxes which
 25 may be imposed upon personal property (including fixtures taxed as personal property) in, on or
 26 within the Premises directly to the assessing party.

27 5.3 Utilities.

28 (a) Tenant shall pay, or shall cause to be paid, directly to the utility provider,
 29 all charges by any public authority or public utility for water, electricity, telephone, gas, sewer
 30 and other services supplied or rendered to the Premises, and service inspections made therefore,
 31 whether called charge, rate, tax, betterment, assessment, fee or otherwise and whether such
 32 charges are made directly to Tenant or through or in the name of the Town of Acton ("Utility
 33 Charges").

34 (b) The Town of Acton agrees to provide reasonable access easements over
 35 the Premises to utility companies for the purposes of bringing and connecting utility service to
 36 the Premises.

37 5.4 No Liability of the Town of Acton. The Town of Acton shall not be required to
 38 furnish to Tenant any facilities or services of any kind whatsoever during the Term, such as, but
 39 not limited to, water, steam, heat, gas, hot water, electricity, light and power. The Town of
 40 Acton makes no representation or warranty that existing sources of supply, distribution points or

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- 1 (b) (i) any alteration to the roof, the structural weight-bearing walls or
- 2 columns or to any weight-bearing floor slab of the Building, or any
- 3 addition to the Building, (ii) any material alteration to the base-building
- 4 plumbing, electrical, mechanical or HVAC systems serving the Premises,
- 5 and (iii) any other alteration or addition costing more than [\$100,000.00]
- 6 in 2002 dollars in the aggregate, (x) shall not be performed without Tenant
- 7 first having received the Town of Acton's written consent thereto, (y) shall
- 8 be conducted under the supervision of a licensed architect or licensed
- 9 professional engineer and (z) shall be conducted in accordance with plans
- 10 and specifications submitted to and approved by the Town of Acton. The
- 11 Town of Acton shall not unreasonably withhold its consent to any
- 12 alterations or additions proposed by Tenant or to any plans and
- 13 specifications submitted to the Town of Acton in connection therewith.
- 14 The Town of Acton's failure to respond to Tenant's request for consent to
- 15 alterations or additions or for approval of plans and specifications for any
- 16 alterations or additions consented to by the Town of Acton, or as to which
- 17 the Town of Acton's consent is simultaneously being requested, within
- 18 forty-five (45) days of the Town of Acton's receipt of such request(s) shall
- 19 constitute the Town of Acton's approval of same, provided Tenant's
- 20 request for such consent or approval states in bold capital letters that the
- 21 Town of Acton's failure to respond within forty-five (45) days shall
- 22 constitute its consent or approval, as the case may be. Tenant hereby
- 23 agrees to reimburse the Town of Acton, upon demand therefore, as
- 24 Additional Rent, for all costs incurred by the Town of Acton in reviewing
- 25 the plans and specifications for, and supervising the carrying out of
- 26 construction of any such alterations or additions. (Any reference in this
- 27 Lease to 2002 dollars shall mean 2002 dollars as reflected in the
- 28 Consumer Price Index for "All Cities" closest in date before December 31,
- 29 2002, published by the federal government, and reference shall be made to
- 30 the Consumer Price Index for All Cities then in effect when adjustments to
- 31 2002 figures are made.);
- 32 (c) Any alteration or addition shall, when completed, be of such a character as
- 33 not to reduce the value or usefulness of the Premises for the Permitted Use
- 34 below its value and usefulness immediately before such change or
- 35 alteration;
- 36 (d) Any change, construction, alteration or addition shall be made promptly in
- 37 a good and workmanlike manner and in accordance with all Required
- 38 Permits, Required Approvals and Legal Requirements, any national or
- 39 local board of fire underwriters, or any other body hereafter exercising
- 40 functions similar to those of any of the foregoing;
- 41 (e) During the period of construction of any change, construction, alteration
- 42 or addition, in, to or of the Improvements, Tenant shall maintain or cause
- 43 to be maintained the following insurance:

Repair of
fire damage
could be a
problem
since lenders
investors will
want these
rights and
override in
a conflict

need estimate
of
cost by
Town

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1 of the enforcement of building laws and ordinances governing repair and reconstruction and shall
2 include an agreed amount endorsement satisfactory to the Town of Acton.

3 7.2 Builder's Risk. During the period of any construction or structural alteration of
4 the Premises or the Improvements, Tenant shall also keep in full force and effect, at its sole cost
5 and expense, "Builder's All Risk" insurance against loss or damage on a completed value non-
6 reporting basis from such hazards and in such amounts as the Town of Acton (or any Permitted
7 Institutional Mortgagee (as defined in Section 13.3 below) subsequently holding a first mortgage
8 lien on the property) may reasonably require.

9 7.3 Liability Insurance. Throughout the Term, Tenant shall maintain, for the benefit
10 of the Town of Acton and Tenant, and identifying the Town of Acton and Tenant as additional
11 insureds, commercial general liability insurance against claims for personal injury, death, and
12 property damage occurring upon, in or about the Premises or the Improvements, and on, in or
13 about the adjoining sidewalks and passageways (including, without limitation, personal injury,
14 death, and property damage resulting directly or indirectly from any change, alteration,
15 improvement or repair thereof) for at least Three Million Dollars (\$3,000,000.00) combined
16 single limit, including bodily injury and death, contractual liability, and for property damage. If
17 Tenant has other locations that it owns or leases, the policy shall include an aggregate limit per
18 location endorsement. Such liability insurance shall be primary and not contributing to any
19 insurance available to the Town of Acton, and the Town of Acton's insurance shall be in excess
20 thereof.

Our other
properties
have \$2M
with an
umbrella. Is
this OK?

21 7.4 Boiler Insurance. Throughout the Term, the Tenant shall maintain boiler
22 insurance, including pressure vessels and pipes, if there be any such vessel or pipes on the
23 Premises, in an amount not less than One Million Dollars (\$1,000,000.00).

24 7.5 Personal Property Insurance. Throughout the Term, Tenant shall maintain
25 personal property insurance insuring all equipment, trade fixtures, inventory, fixtures and
26 personal property located on or in the Premises for perils covered by the cause of loss ("special
27 form"). Such insurance shall be written on a replacement cost basis in an amount equal to no
28 less than eighty percent (80%) of the full insurable replacement value of the aggregate of the
29 foregoing.

30 7.6 Insurance Carried by Contractors. During the construction of the Initial
31 Improvements, Tenant shall also require the construction manager and/or general contractor for
32 the Initial Improvements to maintain (i) for the benefit of Tenant and the Town of Acton, as
33 additional insureds, commercial general liability insurance, including products and completed
34 operations coverage, against any claims for personal injury, death and property damage
35 occurring upon, in or about the Premises and on, in and about the adjoining sidewalks and
36 passageways during the construction of the Initial Improvements for at least One Million Dollars
37 (\$1,000,000.00) combined single limit; (ii) worker's compensation in amounts required by state
38 statute; (iii) employer's liability insurance with limits of not less than Five Hundred Thousand
39 Dollars (\$500,000.00); and (iv) automobile liability insurance, including the ownership,
40 maintenance and operation of any automotive equipment, owned, hired or non-owned, in an
41 amount not less than One Million Dollars (\$1,000,000.00) combined single limit.

42 7.7 Insurance Coverage Increases. The minimum coverage stated in this Article 7
43 shall be reviewed every five (5) years by the Town of Acton and Tenant, and shall be increased
44 at such intervals if such increases are reasonably necessary to reflect inflation or changes in the

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1 nature or degree of risks insured or to protect against judgments from time to time being awarded
2 in Massachusetts for injury, death and property damage.

3 7.8 Insurance Carriers Policies. All insurance provided for in this Article 7 shall be
4 effected under valid and enforceable policies, issued by insurers of recognized responsibility
5 licensed and doing business in Massachusetts and having a so-called Best's Rating of "A:X" or
6 better, or, if such rating is no longer issued, an equal or better rating by a successor insurance
7 carrier rating service reasonably acceptable to the Town of Acton. Any deductible amounts
8 under any insurance policies required hereunder shall not exceed _____ Dollars
9 (\$_____.00). Upon the execution of this Lease, and thereafter not less than fifteen (15) days
10 prior to the expiration dates from time to time of the policies required pursuant to this Article 7,
11 binders of such insurance or, upon written request of the Town of Acton, duplicate originals of
12 the policies, shall be delivered by Tenant to the Town of Acton.

13 In addition, evidence of the payment of all premiums of such policies will be
14 delivered to the Town of Acton. All commercial general liability, property damage liability, and
15 casualty policies maintained by Tenant will be written as primary policies, not contributing with
16 and not in excess of coverage that the Town of Acton may carry. If Tenant fails to maintain
17 such insurance, which failure continues for ten (10) days after the Town of Acton gives notice to
18 Tenant of such failure, then the Town of Acton, at its election, may procure such insurance as
19 may be necessary to comply with the above requirements (but shall not be obligated to procure
20 same), and Tenant shall repay to the Town of Acton as Additional Rent the cost of such
21 insurance.

22 7.9 Blanket Policy. Nothing in this Article 7 shall prevent Tenant from taking out
23 insurance of the kind and in the amounts provided for under this Article 7 under a blanket
24 insurance policy or policies covering other properties as well as the Premises, provided,
25 however, that any such policy or policies of blanket insurance (i) shall specify therein, or in a
26 written statement from the insurers under such policy or policies specifying, the amount of the
27 total insurance allocated to the Premises, which amounts shall not be less than the amounts
28 required by this Article 7, and (ii) such amounts so specified shall be sufficient to prevent any of
29 the insureds from becoming a co-insurer within the terms of the applicable policy or policies, and
30 provided further, however, that any such policy or policies of blanket insurance shall, as to the
31 Premises, otherwise comply as to endorsements and coverage with the provisions of this Article
32 7.

33 7.10 No Separate Insurance. Tenant shall not take out separate insurance concurrent in
34 form or contributing in the event of loss with that required in this Article 7 to be furnished by, or
35 which may reasonably be required to be furnished by, Tenant unless the Town of Acton and
36 Tenant are included therein as insureds, with loss payable as in this Lease provided. Tenant shall
37 immediately notify the Town of Acton of the placing of any such separate insurance and shall
38 cause the same to be delivered as in Section 7.8 hereof required.

39 7.11 Adjustment. All policies of insurance provided for in Article 7 hereof shall name
40 the Town of Acton and Tenant as the insureds as their respective interests may appear. The loss,
41 if any, under such policies shall be adjusted with the insurance companies by Tenant, and shall
42 be payable to Tenant. All such policies shall provide that the loss, if any, thereunder shall be

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1 to negate or abridge any other obligation of indemnification running to the Town of Acton which
 2 would exist at common law or under any other provision of this Lease, and the extent of the
 3 obligation of indemnification shall not be limited by any provision of insurance undertaken in
 4 accordance with this Article 7. This Lease is made on the express condition that the Town of
 5 Acton shall not be liable for, or suffer loss by reason of, any damage or injury to any property,
 6 fixtures, buildings or other improvements, or to any person or persons, at any time on the Premises,
 7 specifically including any damage or injury to the person or property of Tenant or any of the
 8 Tenant Parties, from whatever cause, in any way connected with the condition, use, occupational
 9 safety or occupancy of the Premises, unless caused by the gross negligence or willful misconduct
 10 of the Town of Acton.

11 (d) The provisions of this Section 7.13 shall survive termination or expiration
 12 of this Lease.

13 **ARTICLE 8**

14 **USE OF PREMISES**

15
 16 8.1 Permitted Uses. The Premises and Improvements shall be used exclusively for
 17 purposes of affordable rental housing and uses which are ancillary thereto (collectively, the
 18 "Permitted Uses").

19 8.2 Abandonment of Use. Subject to Force Majeure, except during the construction
 20 of the Initial Improvements, and thereafter during reasonable periods of repair, remodeling
 21 and/or restoration, Tenant covenants and agrees to continuously and uninterruptedly use the
 22 Premises for the Permitted Uses. If the Premises shall be abandoned, deserted, or vacated by the
 23 Tenant (such decision to ~~abandon, desert or vacate or discontinue construction or operation of~~
 24 ~~the facilities located on the Premises shall be referred to as a decision to "Discontinue~~
 25 Operations") or if less than ___ percent (___%) of the residential rental units located on the
 26 Premises are leased and occupied in accordance with Section 8.1 for a period of one hundred
 27 eighty (180) consecutive days or for more than one hundred eighty (180) days in any calendar
 28 year for any reason, the Town of Acton shall have the right to terminate the Lease and recover
 29 exclusive possession of the Premises by written notice to Tenant. In the event the Town of
 30 Acton exercises its right to terminate the Lease under this Section 8.2, the Lease shall terminate
 31 as of the date that is sixty (60) days after the date of the Town of Acton's notice to Tenant
 32 thereof, and Tenant's liability with respect to the Lease shall terminate as of such date, unless
 33 within such sixty (60) day period, more than ___ percent (___%) of the residential rental units
 34 located on the Premises are leased and occupied in accordance with Section 8.1 (in which event
 35 such termination notice shall have no effect).

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what happens in event of fire?

36 8.3 Legal Requirements. Throughout the Term of this Lease, Tenant, at its expense,
 37 shall promptly comply with and shall cause all Tenant Parties to promptly comply with, all
 38 present and future laws, ordinances, orders, rules, regulations and requirements of all federal,
 39 state and municipal governments, departments, housing authorities, boards and officers, foreseen
 40 or unforeseen, ordinary as well as extraordinary, which may be applicable to the Premises and
 41 the sidewalks and curbs adjoining the same, or to the use or manner of use of the same or to any
 42 of the Tenant Parties, whether or not such law, ordinance, rule, regulation or requirement is

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1 specifically applicable or related to the conduct of the Permitted Uses, or shall affect the interior
 2 or exterior of the Improvements or any Tenant Work, or shall necessitate structural changes or
 3 improvements, or shall interfere with the use and enjoyment of the Premises (collectively,
 4 "Legal Requirements"). Tenant shall, in the event of any violation or any attempted violation
 5 of this Section by any Tenant Party, take steps, immediately upon knowledge of such violation,
 6 as Tenant determines to be reasonably necessary to remedy or prevent the same as the case may
 7 be.

8 8.4 Contests. Tenant shall have the right to contest by appropriate legal proceedings
 9 diligently conducted in good faith, in the name of Tenant, without cost or expense to the Town of
 10 Acton, the validity or application of any Legal Requirement, subject to Tenant providing the
 11 Town of Acton with written notice thereof on or before the date of contesting same, and further
 12 subject to the following:

13 (a) If, by the terms of any such Legal Requirement, compliance therewith pending the
 14 prosecution of any such proceeding may legally be delayed without the incurrance of any lien,
 15 charge or liability of any kind against the Premises or any part thereof and without subjecting
 16 Tenant or the Town of Acton to any liability, civil or criminal, for failure so to comply therewith,
 17 Tenant may delay compliance therewith until the final determination of such proceeding; and

18 (b) If any lien, charge or civil liability would be incurred by reason of any such delay,
 19 Tenant nevertheless may contest as aforesaid and delay as aforesaid, provided that such delay
 20 would not subject the Town of Acton to criminal liability or fine, and provided that Tenant (i)
 21 bonds over such lien or furnishes to the Town of Acton security, reasonably satisfactory to the
 22 Town of Acton, against any loss or injury by reason of such contest or delay, and (ii) prosecutes
 23 the contest with due diligence; and

24 (c) The Town of Acton shall not be required to join in or become a party, nominal or
 25 otherwise, to any proceeding in which it will oppose the Commonwealth of Massachusetts or any
 26 agency, authority, branch, division, office or subdivision of the Commonwealth of
 27 Massachusetts, nor shall the Town of Acton be required in connection with any such proceeding
 28 or otherwise to oppose in any way any policy previously established by the Town of Acton nor
 29 to take a position inconsistent with a position previously taken and made public by the Town of
 30 Acton.

31 8.5 Compliance with Insurance Requirements. Throughout the Term of this Lease,
 32 Tenant, at its expense, shall observe and comply with the requirements of all policies of public
 33 liability, casualty and all other policies of insurance required to be supplied by Tenant at any
 34 time in force with respect to the Premises, and Tenant shall, without limiting any other
 35 requirements of this Lease, in the event of any violation or any attempted violation of the
 36 provisions of this Section by any Tenant Party, take all reasonable steps, immediately upon
 37 knowledge of such violation or attempted violation, to remedy or prevent the same as the case
 38 may be.

39 8.6 Property Management. Tenant will either manage the Premises personally or
 40 hire a reputable and experienced property management company to manage the Premises in
 41 accordance with the Town of Acton's guidelines in effect from time to time with respect to the

criteria?
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1 9.2 Definitions. For purposes of this Article 9, "the Section 8 Program" means
 2 Section 8 of the Housing Act of 1937, as amended by the Housing and Community Development
 3 Act of 1974 (and the federal regulations thereunder at 24 C.F.R. Part 800 et seq.); "the Section 8
 4 Regulations" means regulations promulgated by HUD under Section 8 of the Housing Act of
 5 1937; "Household" means one or more individuals occupying a Rental Unit and satisfying the
 6 standards adopted by HUD or any successor federal agency under the Section 8 Regulations;
 7 "BMSA" means the Boston Metropolitan Statistical Area established from time to time by the
 8 U.S. Bureau of the Census; "Fair Market" means the value of any Rental Unit in an arms-length
 9 transaction with a disinterested tenant; "Adjusted Income" shall be as defined in the federal
 10 regulations at 24 C.F.R. §813.102 using assumptions provided by HUD; "Aggregate Annual
 11 Household Income" means the anticipated total income from all sources received by all current
 12 members of the Household aged eighteen (18) years or older, including all net income derived
 13 from assets for the twelve (12) month period following the effective date of certification of
 14 income, and including and excluding those certain types of income as set forth in, and as
 15 determined in accordance with federal regulations at 24 C.F.R. Part 813; "Median Income"
 16 means the median Household income for the BMSA set forth in or calculated pursuant to the
 17 Section 8 Regulations. If HUD discontinues publication of Median Income statistics, then the
 18 Town of Acton shall designate another method of determining Median Income.

19 9.3 Affordability Commitments. From and after the Final Completion Date until the
 20 expiration or earlier termination of the Term of this Lease, Tenant covenants to operate
 21 multifamily housing on the Premises in accordance with the affordability commitments (the
 22 "Affordability Commitments"), set forth below:

23 (a) No less than 25% of the residential rental units will be leased to
 24 Households with Aggregate Annual Income less than or equal to sixty percent (60%) of Median
 25 Income (a Very Low Income Household). The monthly rent charged to any Very Low Income
 26 Household occupying a Rental Unit shall not exceed the lesser of:

27 (i) The Fair Market rent for existing housing for a unit comparable to
 28 the rental unit in the BMSA, as established by HUD under regulations promulgated at 24 C.F.R.
 29 §888.11, less the monthly allowance for those utilities and services (excluding telephone), if any,
 30 to be paid directly by the Household occupying a unit;

31 (ii) An amount equal to thirty percent (30%) of the monthly Adjusted
 32 Income of a Household whose gross income equals sixty percent (60%) (or such higher or lower
 33 percentage as may be established by HUD pursuant to applicable regulations under the HOME
 34 Program) of Median Income, adjusted for number of bedrooms in the rental unit. In determining
 35 the maximum monthly rent that may be charged for the rental unit under this clause (ii), the
 36 Tenant shall subtract from the above amount an allowance for any utilities and services
 37 (excluding telephone), if any, to be paid directly by the Household occupying the rental unit; or

38 (iii) If the Resident or rental unit benefits from the Section 8 Program,
 39 an amount equal to the maximum rent chargeable to an eligible tenant under the Section 8
 40 Program.

41 (b) No less than 50% of the residential rental units will be leased to

Need to confirm completely consistent with tax credits, other funding programs. We usually add "subject to Rules of Section 42 of IRS"

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What happens if family composition changes and family becomes over-housed?

1 Households with Aggregate Annual Household Income less than or equal to eighty percent
2 (80%) of Median Income (a "Low Income Household"). The monthly rent charged to the Low
3 Income Household occupying the rental unit in the Premises shall not exceed the lesser of:

4 (i) The Fair Market rent for existing housing for a unit comparable to
5 the Rental Unit in the BMSA, as established by HUD under regulations promulgated at 24
6 C.F.R. §888.11, less the monthly allowance for those utilities and services (excluding telephone),
7 if any, to be paid directly by the Household occupying a rental unit;

8 (ii) An amount equal to thirty percent (30%) of the monthly Adjusted
9 Income of a Household whose gross income equals eighty percent (80%) (or such higher or
10 lower percentage as may be established by HUD pursuant to applicable regulations under the
11 HOME Program) of Median Income, adjusted for number of bedrooms in the rental unit. In
12 determining the maximum monthly rent that may be charged for the rental unit under this clause
13 (ii), the Tenant shall subtract from the above amount an allowance for any utilities and services
14 (excluding telephone), if any, to be paid directly by the Household occupying the rental unit; or

15 (iii) If the Resident or the rental unit benefits from the Section 8 Program, an amount
16 equal to the maximum rent chargeable to an eligible tenant under the Section 8 Program. If, after
17 initial occupancy, the income of a Resident of an affordable housing unit increases, and, as a
18 result of such increase, exceeds the maximum income permitted hereunder for such a Resident,
19 Tenant shall not be in default hereunder so long as either (a) the Resident income does not
20 exceed one hundred forty percent (140%) of the maximum income permitted or (b) Tenant rents
21 the next available unit at the Premises as an affordable housing unit in conformance with the
22 Affordability Commitments, or otherwise demonstrates compliance with the Affordability
23 Commitments.

24 As a condition to occupancy of an affordable unit, each potential Resident shall be
25 required to sign and deliver to Tenant an income certification using a form adopted for such use
26 by Tenant and reasonably approved by the Town of Acton.

27 Tenant shall ensure that all affordable housing units shall be of comparable quality to the
28 other units in the Premises, and, to the greatest extent practicable, shall be dispersed evenly
29 throughout the Premises. If the Improvements are comprised of more than one (1) building, each
30 building shall have a proportionate share of affordable housing units.

31 9.4 Lease Form. Tenant shall not include in any lease for a rental unit any provisions
32 which conflict with or violate Massachusetts or Federal law. Each lease for a rental unit shall be
33 for a term of not less than one (1) year, unless otherwise mutually agreed to by and between
34 Tenant and the Resident, and shall require the Resident to provide information required for the
35 Tenant to meet its reporting requirements under this Lease. Tenant may not terminate the
36 tenancy or refuse to renew the lease of Residents except (i) for serious or repeated violation of
37 the terms and conditions of the lease for the rental unit, (ii) for violations of applicable federal,
38 state or local law, or (iii) for other good cause. Any termination or refusal to renew, excepting
39 any notice to quit for nonpayment of rent, must be preceded by not less than thirty (30) days
40 written notice by the Tenant served on the Resident, which notice shall specify the grounds for
41 termination or refusal to renew. A notice to quit for nonpayment of rent must be preceded by not

*see
comments
previous
page
re:
Section 42
IRS*

*in whose
determination?*

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1 less than fourteen (14) days written notice by the Tenant served on the Resident.

2 9.5 Records and Annual Report. Tenant covenants and agrees to secure and maintain
3 on file for inspection and copying by the Town of Acton such information, reports and
4 certifications as the Town of Acton may reasonably require in writing in order to ensure that the
5 Affordability Commitments are being complied with. Tenant further covenants and agrees to
6 notify the Town of Acton in writing if Tenant discovers non-compliance with any restrictions
7 hereunder. The Tenant represents, warrants and covenants that the determination of whether a
8 Household meets the income requirements set forth herein shall be made by Tenant at the time of
9 leasing or renting a rental unit and thereafter at least annually on the basis of the then current
10 income of such Household. The Tenant shall maintain as part of its records copies of leases of
11 the rental unit and all initial and annual income certifications by the Household occupying the
12 rental unit. Within ninety (90) days after the end of each calendar year, the Tenant shall provide
13 to the Town of Acton an annual report, in a form previously approved by the Town of Acton,
14 consisting of certifications regarding the size, the aggregate annual and monthly gross and
15 Adjusted Income, head of Household characteristics, rent and rental assistance of the Households
16 occupying the rental units (the "Tenant's Annual Report"). With respect to any Household that
17 moved into a rental unit in the prior year, the Annual Report shall also include the foregoing
18 certifications for such Household at the time of its initial occupancy of any rental unit. The
19 Annual Report shall contain such supporting documentation as the Town of Acton shall
20 reasonably require. ~~In addition to the foregoing, the Tenant shall keep such additional records~~
21 ~~and prepare and submit to the Town of Acton such additional reports as the Town of Acton may~~
22 ~~deem necessary to ensure compliance with the requirements of this Lease and the HOME~~
23 ~~Program (if applicable).~~

24 9.6 Rental Unit Standards. The Tenant covenants, agrees and warrants that the
25 residential rental units at all times shall be suitable for occupancy and in compliance with all
26 local health, safety and building codes. The Town of Acton shall have the right to enter the
27 Premises upon reasonable notice and at reasonable times to inspect the same and to verify
28 compliance with the aforesaid codes.

29

30

ARTICLE 10

31

32

DAMAGE OR DESTRUCTION

33 Tenant shall give prompt written notice to the Town of Acton after the occurrence of any fire,
34 earthquake, act of God or other casualty to or in connection with the Premises. If the whole or
35 any part of the Premises be damaged or destroyed by any cause whatsoever, ~~whether insured or~~
36 ~~uninsured, at any time during the Term of this Lease, Tenant will~~ irrespective of insurance
37 proceeds, promptly commence to replace or repair the portion of the Premises that is damaged or
38 destroyed, and complete such repair and/or restoration with due diligence and at its sole cost and
39 expense, with such changes, alterations or modifications as are reasonably determined by Tenant
40 so long as such changes, alterations or modifications (a) do not diminish the overall utility for the
41 Permitted Uses, and (b) comply with the aesthetic requirements contained in the RFP. The
42 parties recognize that such damage or destruction may require emergency replacement or repair.

we would need insurance proceeds to start repair

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1 (a) Except for Existing Contamination (hereinafter defined), neither the Town
 2 of Acton nor, to the Town of Acton's knowledge, the Premises (i) has received notice of any
 3 private or governmental lien or judicial or administrative notice, order or action relating to
 4 Hazardous Materials or environmental liabilities or violations with respect to the Premises, or (ii)
 5 is in, or with any applicable notice or lapse of time, or failure to take certain curative or remedial
 6 actions, will be in, either direct or indirect violation of any Environmental Laws. For purposes
 7 hereof, "Existing Contamination" shall mean any and all pollution or contamination caused by
 8 any Hazardous Material that previously existed or exists in, or was released onto the Premises as
 9 of the Commencement Date, the types and quantities of which have been disclosed in the
 10 environmental assessment reports described in Exhibit D.

*Not
Included*

11 (b) No activity shall be undertaken on the Premises by the Town of Acton
 12 which would cause (i) the Premises to be considered a hazardous waste treatment, storage or
 13 disposal facility as defined under any Environmental Laws; (ii) a release or threatened release of
 14 Hazardous Materials into any watercourse, surface or subsurface water or wetlands, or the
 15 discharge into the atmosphere of any Hazardous Materials in each case requiring a permit under
 16 any Environmental Laws and for which no such permit has been issued.

17 12.4 Hazardous Materials Defined. For purposes of this Lease, "Hazardous
 18 Materials" shall mean, but shall not be limited to, any oil, petroleum product and any hazardous
 19 or toxic waste or substance, any substance which because of its quantitative concentration,
 20 chemical, radioactive, flammable, explosive, infectious or other characteristics, constitutes or
 21 may reasonably be expected to constitute or contribute to a danger or hazard to public health,
 22 safety or welfare or to the environment, including without limitation any asbestos (whether or
 23 not friable) and any asbestos-containing materials, lead paint, waste oils, solvents and
 24 chlorinated oils, polychlorinated biphenyls (PCBs), toxic metals, explosives, reactive metals and
 25 compounds, pesticides, herbicides, radon gas, urea formaldehyde foam insulation and chemical,
 26 biological and radioactive wastes, or any other similar materials which are included under or
 27 regulated by any Environmental Law.

28 12.5 Notices.

29 (a) Tenant shall provide the Town of Acton with copies of any notices of
 30 releases of Hazardous Materials which are given by or on behalf of Tenant to any federal, state
 31 or local agencies or authorities with respect to the Premises. Such copies shall be sent to the
 32 Town of Acton concurrently with mailing or delivery to the governmental agencies or
 33 authorities. Tenant also shall provide the Town of Acton with copies of any notices of
 34 responsibility or any other notices received by or on behalf of Tenant from any such agencies or
 35 authorities concerning any non-compliance with Environmental Laws on or about the Premises,
 36 including but not limited to notices regarding Hazardous Materials or substances located on or
 37 about the Premises. In addition, in connection with any litigation or threat of litigation affecting
 38 the Premises, Tenant shall deliver to the Town of Acton any documentation or records as the
 39 Town of Acton may reasonably request and which are in Tenant's possession and may be
 40 lawfully delivered to the Town of Acton, and the Town of Acton shall deliver to Tenant any
 41 documentation or records as Tenant may reasonably request and which are in the Town of
 42 Acton's possession and may be lawfully delivered to Tenant.

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21-Year Operating Proforma (Years 1-5)**NOTE: Do not fill out this section. It is automatically filled in by program.**

Calendar Year:	Year 1 N/A	Year 2 N/A	Year 3 N/A	Year 4 N/A	Year 5 N/A
INCOME:					
Low-Income, Rental Assisted	\$85,440	\$87,149	\$88,892	\$91,559	\$94,305
Low-Income, Below 50%	0	0	0	0	0
Low-Income, Below 60%	78,376	79,943	81,542	83,988	86,508
Other Income 80%	0	0	0	0	0
Market Rate	76,284	77,810	79,366	81,747	84,199
Gross Potential Income	240,100	244,902	249,800	257,294	265,012
Less vacancy	9,604	9,796	9,992	10,292	10,600
Effective Gross Residential Income	230,496	235,106	239,808	247,002	254,412
Commercial (includes parking)	0	0	0	0	0
Less vacancy	0	0	0	0	0
Net Commercial Income	0	0	0	0	0
Effective Rental Income	230,496	235,106	239,808	247,002	254,412
Other Income: Laundry	3,744	3,894	4,050	4,211	4,380
Other Income:	0	0	0	0	0
Other Income:	0	0	0	0	0
Other Income:	0	0	0	0	0
Other Income:	0	0	0	0	0
Other Income:	0	0	0	0	0
Other Income:	0	0	0	0	0
Total Gross Income	234,240	238,999	243,857	251,213	258,792
Operating Subsidies	0	0	0	0	0
Draw on Operating Reserves	0	610	1,368	0	0
Total Effective Income	\$234,240	\$239,609	\$245,225	\$251,213	\$258,792

EXPENSES:

Management Fee	0	0	0	0	0
Administrative	40,518	42,139	43,824	45,577	47,400
Maintenance	39,240	40,810	42,442	44,140	45,905
Resident Services	0	0	0	0	0
Security	0	0	0	0	0
Electrical	1,435	1,492	1,552	1,614	1,679
Natural Gas	17,561	18,263	18,994	19,754	20,544
Oil (heat)	0	0	0	0	0
Water & Sewer	14,000	14,560	15,142	15,748	16,378
Replacement Reserve	6,480	6,739	7,009	7,289	7,581
Operating Reserve	0	0	0	0	0
Real Estate Taxes	10,998	11,273	11,555	11,844	12,140
Other Taxes	0	0	0	0	0
Insurance	9,000	9,360	9,734	10,124	10,529
MIP	0	0	0	0	0
Other:	0	0	0	0	0
Total Operating Expenses	\$139,232	\$144,636	\$150,253	\$156,089	\$162,155

NET OPERATING INCOME

	\$95,008	\$94,973	\$94,972	\$95,124	\$96,636
Debt Service	\$86,339	\$86,339	\$86,339	\$86,339	\$86,339
Debt Service Coverage	1.10	1.10	1.10	1.10	1.12
Project Cash Flow	\$8,669	\$8,634	\$8,633	\$8,785	\$10,297
Required Debt Coverage	\$94,973	\$94,973	\$94,973	\$94,973	\$94,973
(Gap)/Surplus for Cov.	\$35	\$0	(\$0)	\$151	\$1,664

21-Year Operating Proforma (Years 6-10)**NOTE: Do not fill out this section. It is automatically filled in by program.**

<i>Calendar Year:</i>	<i>Year 6</i> N/A	<i>Year 7</i> N/A	<i>Year 8</i> N/A	<i>Year 9</i> N/A	<i>Year 10</i> N/A
INCOME:					
Low-Income, Rental Assisted	\$97,134	\$100,048	\$103,050	\$106,141	\$109,326
Low-Income, Below 50%	0	0	0	0	0
Low-Income, Below 60%	89,103	91,776	94,529	97,365	100,286
Other Income 80%	0	0	0	0	0
Market Rate	86,725	89,327	92,007	94,767	97,610
<i>Gross Potential Income</i>	<i>272,963</i>	<i>281,152</i>	<i>289,586</i>	<i>298,274</i>	<i>307,222</i>
Less vacancy	10,919	11,246	11,583	11,931	12,289
<i>Effective Gross Residential Income</i>	<i>262,044</i>	<i>269,906</i>	<i>278,003</i>	<i>286,343</i>	<i>294,933</i>
Commercial Income	0	0	0	0	0
Less vacancy	0	0	0	0	0
Net Commercial Income	0	0	0	0	0
<i>Effective Rental Income</i>	<i>262,044</i>	<i>269,906</i>	<i>278,003</i>	<i>286,343</i>	<i>294,933</i>
Laundry Income	4,555	4,737	4,927	5,124	5,329
Other Income:	0	0	0	0	0
Other Income:	0	0	0	0	0
Other income:	0	0	0	0	0
Other Income:	0	0	0	0	0
Other Income:	0	0	0	0	0
Other Income:	0	0	0	0	0
<i>Total Gross Income</i>	<i>266,599</i>	<i>274,643</i>	<i>282,930</i>	<i>291,467</i>	<i>300,262</i>
Operating Subsidies	0	0	0	0	0
Draw on Operating Reserves	0	0	0	0	0
<i>Total Effective Income</i>	<i>\$266,599</i>	<i>\$274,643</i>	<i>\$282,930</i>	<i>\$291,467</i>	<i>\$300,262</i>
EXPENSES:					
Management Fee	0	0	0	0	0
Administrative	49,296	51,268	53,319	55,452	57,670
Maintenance	47,741	49,651	51,637	53,703	55,851
Resident Services	0	0	0	0	0
Security	0	0	0	0	0
Electrical	1,746	1,816	1,888	1,964	2,042
Natural Gas	21,366	22,220	23,109	24,033	24,995
Oil (heat)	0	0	0	0	0
Water & Sewer	17,033	17,714	18,423	19,160	19,926
Replacement Reserve	7,884	8,199	8,527	8,868	9,223
Operating Reserve	0	0	0	0	0
Real Estate Taxes	12,443	12,754	13,073	13,400	13,735
Other Taxes	0	0	0	0	0
Insurance	10,950	11,388	11,843	12,317	12,810
MIP	0	0	0	0	0
Other:	0	0	0	0	0
<i>Total Operating Expenses</i>	<i>\$168,459</i>	<i>\$175,011</i>	<i>\$181,820</i>	<i>\$188,897</i>	<i>\$196,252</i>
NET OPERATING INCOME	\$98,140	\$99,632	\$101,109	\$102,570	\$104,010
Debt Service	\$86,339	\$86,339	\$86,339	\$86,339	\$86,339
Debt Service Coverage	1.14	1.15	1.17	1.19	1.20
Project Cash Flow	\$11,801	\$13,293	\$14,770	\$16,231	\$17,671
Required Debt Coverage	\$94,973	\$94,973	\$94,973	\$94,973	\$94,973
(Gap)/Surplus for Cov.	\$3,167	\$4,659	\$6,136	\$7,597	\$9,037

21-Year Operating Proforma (Years 11-15)**NOTE: Do not fill out this section. It is automatically filled in by program.**

<i>Calendar Year:</i>	<i>Year 11</i> <i>N/A</i>	<i>Year 12</i> <i>N/A</i>	<i>Year 13</i> <i>N/A</i>	<i>Year 14</i> <i>N/A</i>	<i>Year 15</i> <i>N/A</i>
INCOME:					
Low-Income, Rental Assisted	\$112,605	\$115,984	\$119,463	\$123,047	\$126,738
Low-Income, Below 50%	0	0	0	0	0
Low-Income, Below 60%	103,295	106,394	109,586	112,873	116,259
Other Income 80%	0	0	0	0	0
Market Rate	100,538	103,554	106,661	109,861	113,157
<i>Gross Potential Income</i>	<i>316,439</i>	<i>325,932</i>	<i>335,710</i>	<i>345,781</i>	<i>356,155</i>
Less vacancy	12,658	13,037	13,428	13,831	14,246
<i>Effective Gross Residential Income</i>	<i>303,781</i>	<i>312,895</i>	<i>322,281</i>	<i>331,950</i>	<i>341,908</i>
Commercial (includes parking)	0	0	0	0	0
Less vacancy	0	0	0	0	0
Net Commercial Income	0	0	0	0	0
<i>Effective Rental Income</i>	<i>303,781</i>	<i>312,895</i>	<i>322,281</i>	<i>331,950</i>	<i>341,908</i>
Other Income: Laundry	5,542	5,764	5,994	6,234	6,483
Other Income:	0	0	0	0	0
Other Income:	0	0	0	0	0
Other Income:	0	0	0	0	0
Other Income:	0	0	0	0	0
Other Income:	0	0	0	0	0
Other Income:	0	0	0	0	0
<i>Total Gross Income</i>	<i>309,323</i>	<i>318,658</i>	<i>328,276</i>	<i>338,184</i>	<i>348,392</i>
Operating Subsidies	0	0	0	0	0
Draw on Operating Reserves	0	0	0	0	0
<i>Total Effective Income</i>	<i>\$309,323</i>	<i>\$318,658</i>	<i>\$328,276</i>	<i>\$338,184</i>	<i>\$348,392</i>
EXPENSES:					
Management Fee	0	0	0	0	0
Administrative	59,977	62,376	64,871	67,465	70,164
Maintenance	58,085	60,408	62,825	65,337	67,951
Resident Services	0	0	0	0	0
Security	0	0	0	0	0
Electrical	2,124	2,209	2,297	2,389	2,485
Natural Gas	25,995	27,034	28,116	29,240	30,410
Oil (heat)	0	0	0	0	0
Water & Sewer	20,723	21,552	22,414	23,311	24,243
Replacement Reserve	9,592	9,976	10,375	10,790	11,221
Operating Reserve	0	0	0	0	0
Real Estate Taxes	14,078	14,430	14,791	15,161	15,540
Other Taxes	0	0	0	0	0
Insurance	13,322	13,855	14,409	14,986	15,585
MIP	0	0	0	0	0
Other:	0	0	0	0	0
<i>Total Operating Expenses</i>	<i>\$203,896</i>	<i>\$211,841</i>	<i>\$220,098</i>	<i>\$228,680</i>	<i>\$237,600</i>
NET OPERATING INCOME	\$105,427	\$106,818	\$108,178	\$109,504	\$110,792
Debt Service	\$86,339	\$86,339	\$86,339	\$86,339	\$86,339
Debt Service Coverage	1.22	1.24	1.25	1.27	1.28
Project Cash Flow	\$19,088	\$20,479	\$21,839	\$23,165	\$24,453
Required Debt Coverage	\$94,973	\$94,973	\$94,973	\$94,973	\$94,973
(Gap)/Surplus for Cov.	\$10,454	\$11,845	\$13,205	\$14,531	\$15,819

21-Year Operating Proforma (Years 16-21)

NOTE: Do not fill out this section. It is automatically filled in by program.

Calendar Year:	Year 16 N/A	Year 17 N/A	Year 18 N/A	Year 19 N/A	Year 20 N/A	Year 21 N/A
INCOME:						
Low-Income, Rent. Astd.	\$130,541	\$134,457	\$138,490	\$142,645	\$146,925	\$151,332
Low-Income, Below 50%	0	0	0	0	0	0
Low-Income, Below 60%	119,747	123,340	127,040	130,851	134,776	138,820
Other Income 80%	0	0	0	0	0	0
Market Rate	116,551	120,048	123,649	127,359	131,180	135,115
Gross Potential Income	366,839	377,844	389,180	400,855	412,881	425,267
Less vacancy	14,674	15,114	15,567	16,034	16,515	17,011
Eff. Gross Res. Income	352,166	362,731	373,612	384,821	396,365	408,256
Commercial Income	0	0	0	0	0	0
Less vacancy	0	0	0	0	0	0
Net Commercial Income	0	0	0	0	0	0
Effective Rental Income	352,166	362,731	373,612	384,821	396,365	408,256
Other Income: Laundry	6,743	7,012	7,293	7,585	7,888	8,204
Other	0	0	0	0	0	0
Other	0	0	0	0	0	0
Other	0	0	0	0	0	0
Other	0	0	0	0	0	0
Other	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total Gross Income	358,908	369,743	380,905	392,406	404,254	416,460
Operating Subsidies	0	0	0	0	0	0
Draw on Operating Res.	0	0	0	0	0	0
Total Effective Income	\$358,908	\$369,743	\$380,905	\$392,406	\$404,254	\$416,460

EXPENSES:						
Management Fee	0	0	0	0	0	0
Administrative	72,971	75,889	78,925	82,082	85,365	88,780
Maintenance	70,669	73,496	76,436	79,493	82,673	85,980
Resident Services	0	0	0	0	0	0
Security	0	0	0	0	0	0
Electrical	2,584	2,688	2,795	2,907	3,023	3,144
Natural Gas	31,626	32,891	34,207	35,575	36,998	38,478
Oil (heat)	0	0	0	0	0	0
Water & Sewer	25,213	26,222	27,271	28,361	29,496	30,676
Replacement Reserve	11,670	12,137	12,622	13,127	13,652	14,198
Operating Reserve	0	0	0	0	0	0
Real Estate Taxes	15,928	16,327	16,735	17,153	17,582	18,022
Other Taxes	0	0	0	0	0	0
Insurance	16,208	16,857	17,531	18,232	18,962	19,720
MIP	0	0	0	0	0	0
Other:	0	0	0	0	0	0
Total Operating Expense	\$246,871	\$256,506	\$266,522	\$276,932	\$287,752	\$298,998

NET OPER. INC.	\$112,038	\$113,237	\$114,384	\$115,474	\$116,502	\$117,462
Debt Service	\$86,339	\$86,339	\$86,339	\$86,339	\$86,339	\$0
Debt Service Coverage	1.30	1.31	1.32	1.34	1.35	N/A
Project Cash Flow	\$25,699	\$26,898	\$28,045	\$29,135	\$30,163	\$117,462
Required Debt Coverage	\$94,973	\$94,973	\$94,973	\$94,973	\$94,973	\$0
(Gap)/Surplus for Cov.	\$17,065	\$18,264	\$19,411	\$20,501	\$21,529	\$117,462

Operating Expense Analysis

NOTE: Do not fill out this section. It is automatically filled in by program.

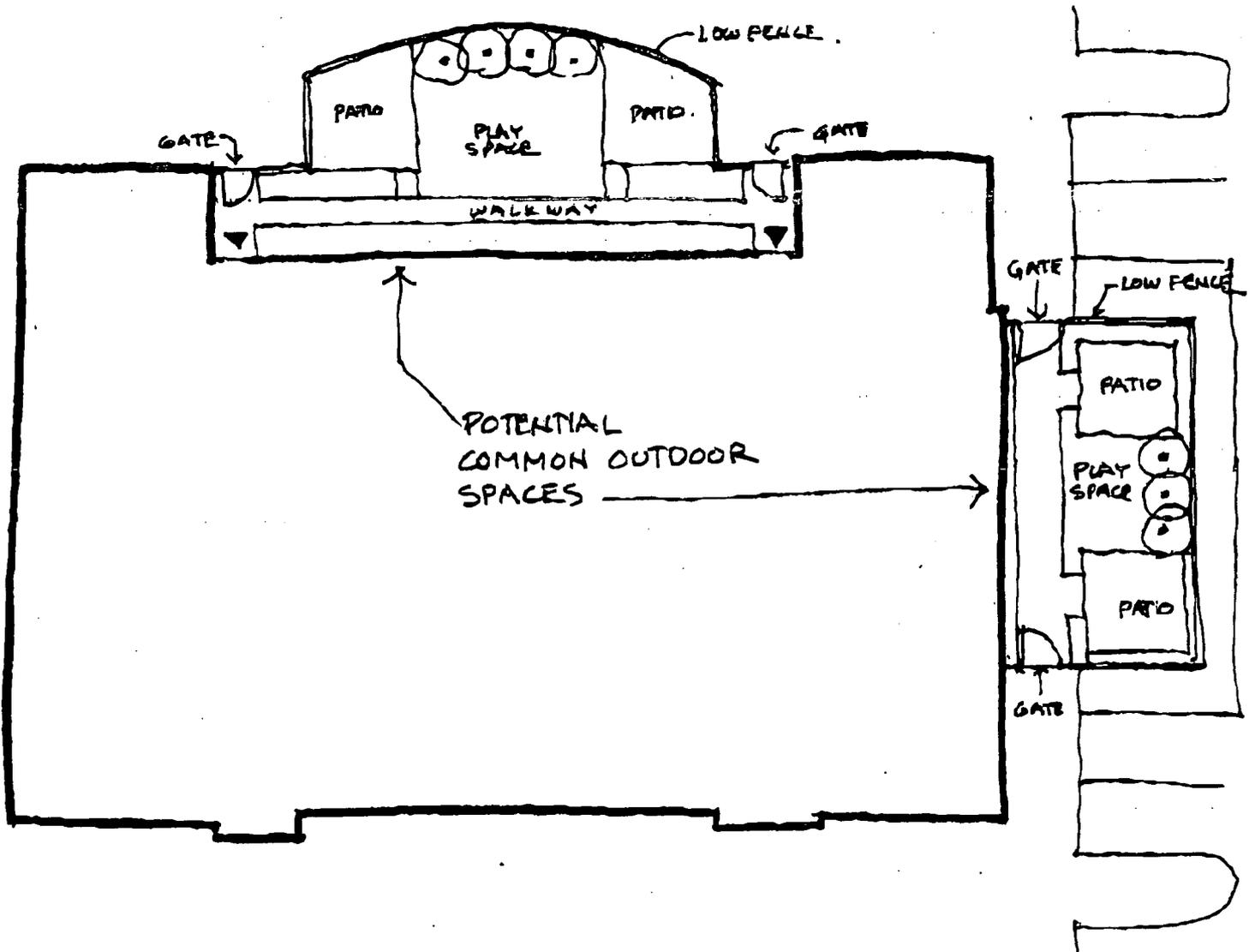
	Residential Total	Residential Per Unit	Residential Per S. F.	Commercial Total	Commercial Per S. F.
Management Fee	\$0	\$0.00	\$0.00	\$0	N/A
Payroll, Administrative	\$0	\$0.00	\$0.00	\$0	N/A
Payroll Taxes & Benefits, Admin.	\$0	\$0.00	\$0.00	\$0	N/A
Legal	\$0	\$0.00	\$0.00	\$0	N/A
Audit	\$0	\$0.00	\$0.00	\$0	N/A
Marketing	\$0	\$0.00	\$0.00	\$0	N/A
Telephone	\$0	\$0.00	\$0.00	\$0	N/A
Office Supplies	\$0	\$0.00	\$0.00	\$0	N/A
Accounting & Data Processing	\$0	\$0.00	\$0.00	\$0	N/A
Investor Servicing	\$0	\$0.00	\$0.00	\$0	N/A
DHCD Monitoring Fee	\$0	\$0.00	\$0.00	\$0	N/A
Other:	\$0	\$0.00	\$0.00	\$0	N/A
Other:	\$40,518	\$2,251.00	\$1.92	\$0	N/A
Subtotal: Administrative	\$40,518	\$2,251.00	\$1.92	\$0	N/A
Payroll, Maintenance	\$0	\$0.00	\$0.00	\$0	N/A
Payroll Taxes & Benefits, Admin.	\$0	\$0.00	\$0.00	\$0	N/A
Janitorial Materials	\$0	\$0.00	\$0.00	\$0	N/A
Landscaping	\$0	\$0.00	\$0.00	\$0	N/A
Decorating (inter. only)	\$0	\$0.00	\$0.00	\$0	N/A
Repairs (inter. & ext.)	\$0	\$0.00	\$0.00	\$0	N/A
Elevator Maintenance	\$0	\$0.00	\$0.00	\$0	N/A
Trash Removal	\$0	\$0.00	\$0.00	\$0	N/A
Snow Removal	\$0	\$0.00	\$0.00	\$0	N/A
Extermination	\$0	\$0.00	\$0.00	\$0	N/A
Recreation	\$0	\$0.00	\$0.00	\$0	N/A
Other:	\$39,240	\$2,180.00	\$1.86	\$0	N/A
Subtotal: Maintenance	\$39,240	\$2,180.00	\$1.86	\$0	N/A
Resident Services	\$0	\$0.00	\$0.00	\$0	N/A
Security	\$0	\$0.00	\$0.00	\$0	N/A
Electricity	\$1,435	\$79.72	\$0.07	\$0	N/A
Natural Gas	\$17,561	\$975.61	\$0.83	\$0	N/A
Oil	\$0	\$0.00	\$0.00	\$0	N/A
Water & Sewer	\$14,000	\$777.78	\$0.66	\$0	N/A
Subtotal: Utilities	\$32,996	\$1,833.11	\$1.57	\$0	N/A
Replacement Reserve	\$6,480	\$360.00	\$0.31	\$0	N/A
Operating Reserve	\$0	\$0.00	\$0.00	\$0	N/A
Real Estate Taxes	\$10,998	\$611.00	\$0.52	\$0	N/A
Other Taxes	\$0	\$0.00	\$0.00	\$0	N/A
Insurance	\$9,000	\$500.00	\$0.43	\$0	N/A
MIP	\$0	\$0.00	\$0.00	\$0	N/A
Other:	\$0	\$0.00	\$0.00	\$0	N/A
Subtotal: Taxes, Insurance	\$19,998	\$1,111.00	\$0.95	\$0	N/A
TOTAL EXPENSES	\$139,232	\$7,735.11	\$6.61	\$0	N/A

Development Cost Analysis

NOTE: Do not fill out this section. It is automatically filled in by program.

	<i>Residential Total</i>	<i>Residential Per Unit</i>	<i>Residential Per S. F.</i>	<i>Commercial Total</i>	<i>Commercial Per S. F.</i>
Acquisition: Land	\$0	\$0	\$0.00	\$0	N/A
Acquisition: Building	\$0	\$0	\$0.00	\$0	N/A
Acquisition Subtotal	\$0	\$0	\$0.00	\$0	N/A
Direct Construction Budget	\$2,758,336	\$153,241	\$131.00	\$0	N/A
Construction Contingency	\$413,750	\$22,986	\$19.65	\$0	N/A
Subtotal: Construction	\$3,172,086	\$176,227	\$150.65	\$0	N/A
General Development Costs:					
Architecture & Engineering	\$222,046	\$12,336	\$10.55	\$0	N/A
Survey and Permits	\$10,000	\$556	\$0.47	\$0	N/A
Clerk of the Works	\$72,800	\$4,044	\$3.46	\$0	N/A
Environmental Engineer	\$10,000	\$556	\$0.47	\$0	N/A
Bond Premium	\$0	\$0	\$0.00	\$0	N/A
Legal	\$133,000	\$7,389	\$6.32	\$0	N/A
Title and Recording	\$12,000	\$667	\$0.57	\$0	N/A
Accounting & Cost Certificat.	\$20,000	\$1,111	\$0.95	\$0	N/A
Marketing and Rent Up	\$10,000	\$556	\$0.47	\$0	N/A
Real Estate Taxes	\$10,000	\$556	\$0.47	\$0	N/A
Insurance	\$20,000	\$1,111	\$0.95	\$0	N/A
Relocation	\$0	\$0	\$0.00	\$0	N/A
Appraisal	\$13,000	\$722	\$0.62	\$0	N/A
Security	\$7,500	\$417	\$0.36	\$0	N/A
Construction Loan Interest	\$65,000	\$3,611	\$3.09	\$0	N/A
Inspecting Engineer	\$10,000	\$556	\$0.47	\$0	N/A
Fees to:	\$26,000	\$1,444	\$1.23	\$0	N/A
Fees to: HistoricNPS	\$2,500	\$139	\$0.12	\$0	N/A
MIP	\$0	\$0	\$0.00	\$0	N/A
Credit Enhancement Fees	\$0	\$0	\$0.00	\$0	N/A
Letter of Credit Fees	\$0	\$0	\$0.00	\$0	N/A
Other Financing Fees	\$0	\$0	\$0.00	\$0	N/A
Development Consultant	\$40,000	\$2,222	\$1.90	\$0	N/A
Other:	\$50,000	\$2,778	\$2.37	\$0	N/A
Other:	\$20,000	\$1,111	\$0.95	\$0	N/A
Soft Cost Contingency	\$37,692	\$2,094	\$1.79	\$0	N/A
Subtotal: Gen. Dev.	\$791,538	\$43,974	\$37.59	\$0	N/A
Subtotal: Acquis., Const., and Gen. Dev.	\$3,963,625	\$220,201	\$188.24	\$0	N/A
Capitalized Reserves	\$68,265	\$3,793	\$3.24	\$0	N/A
Developer Overhead	\$175,000	\$9,722	\$8.31	\$0	N/A
Developer Fee	\$175,000	\$9,722	\$8.31	\$0	N/A
Total Development Cost	\$4,381,890	\$243,438	\$208.11	\$0	N/A
Total Net* Development Cost	\$4,188,625	\$232,701	\$198.93	\$0	N/A

(*Does not include any capitalized reserves nor any developer's fees or overhead which are contributed or loaned to the project.)



MOSTUE & ASSOCIATES



ARCHITECTS, INC.

240A Elm Street
Somerville, MA 02144
Tel: 617-628-5700
Fax: 617-628-1717
E-mail: info@mostue.com

Job Name

Job No.

Sheet No.

TOWNE SCHOOL, ACTON 05

A

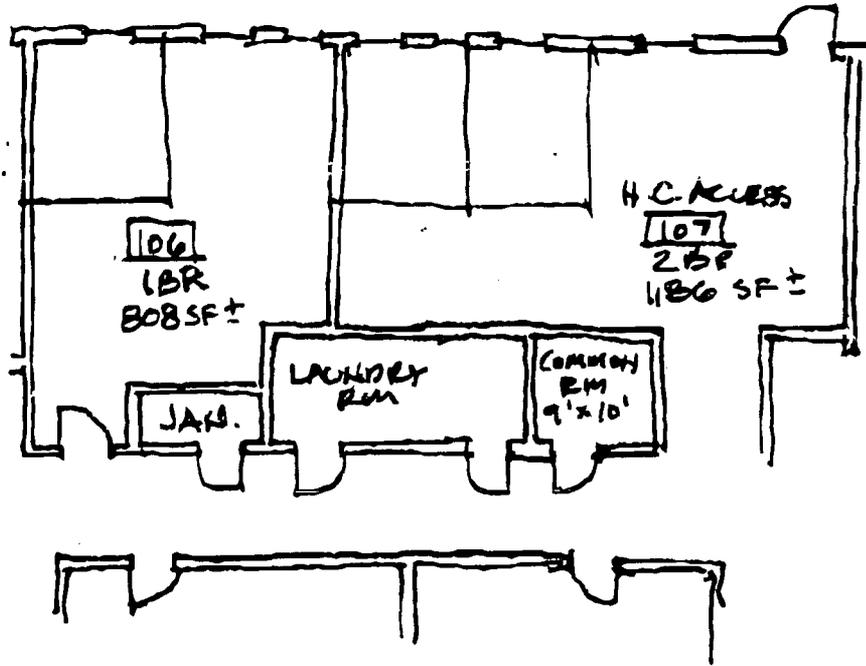
POTENTIAL COMMON OUTDOOR SPACES

Scale

Date

SEP-11-2003 16:27 MOSTUE & ASSOCIATES

TOTAL P.03



PARTIAL FIRST FLOOR PLAN
SHOWING PROPOSED COMMON ROOM.

MOSTUE & ASSOCIATES



ARCHITECTS INC.

240A Elm Street
Somerville, MA 02144
Tel: 617-628-5700
Fax: 617-628-1717
E-mail: info@mostue.com

Job Name

Job No.

Sheet No.

TOWNE SCHOOL, ACTON

B.

PROPOSED 1ST FLOOR COMMON ROOM

Scale 1/4" = 1'-0"

Date 9.11.03

Home Owners Financial Feasibility

Interest @ 6 %

Home Price	\$145,000	\$145,000	\$145,000
Interest Rate	6.00%	6.00%	6.00%
Down Payment	5.00%	7.50%	10.00%
Down Payment	\$7,250	\$10,875	\$14,500
Mortgage	\$137,750	\$134,125	\$130,500
Prin & Int	\$826	\$804	\$782
R E Taxes	\$221	\$221	\$221
PMI	\$40	\$40	\$40
Ins	\$40	\$40	\$40
Condo Fee	\$80	\$80	\$80
Total	\$1,207	\$1,185	\$1,164
Min Income	\$43,895	\$43,105	\$42,315
Boston Area Max Income <i>80%</i>	\$64,640	\$64,640	\$64,640
90 % of Max	\$58,176	\$58,176	\$58,176
80 % of Max	\$51,712	\$51,712	\$51,712
70 % of Max	\$45,248	\$45,248	\$45,248
60 % of Max	\$38,784	\$38,784	\$38,784

Assumptions

Int @ 6 % - Amoritzation - 30 Years
 Taxes @ \$18.31/\$1000
 Condo Fee @ \$80/Mo
 Min Inc @ 33% of Gross

Home Owners Financial Feasibility

Interest @ 5.5 %

Home Price	\$145,000	\$145,000	\$145,000
Interest Rate	5.50%	5.50%	5.50%
Down Payment	5.00%	7.50%	10.00%
Down Payment	\$7,250	\$10,875	\$14,500
Mortgage	\$137,750	\$134,125	\$130,500
Prin & Int	\$782	\$762	\$741
R E Taxes	\$221	\$221	\$221
PMI	\$40	\$40	\$40
Ins	\$40	\$40	\$40
Condo Fee	\$80	\$80	\$80
Total	\$1,163	\$1,143	\$1,122
Min Income	\$42,300	\$41,572	\$40,809
Boston Area Max Income	\$64,640	\$64,640	\$64,640
90 % of Max	\$58,176	\$58,176	\$58,176
80 % of Max	\$51,712	\$51,712	\$51,712
70 % of Max	\$45,248	\$45,248	\$45,248
60 % of Max	\$38,784	\$38,784	\$38,784

Assumptions

Int @ 6 % - Amoritization - 30 Years
Taxes @ \$18.31/\$1000
Condo Fee @ \$80/Mo
Min Inc @ 33% of Gross

Home Owners Financial Feasibility

Interest @ 5.0 %

Home Price	\$145,000	\$145,000	\$145,000
Interest Rate	5.50%	5.50%	5.50%
Down Payment	5.00%	7.50%	10.00%
Down Payment	\$7,250	\$10,875	\$14,500
Mortgage	\$137,750	\$134,125	\$130,500
Prin & Int	\$739	\$720	\$701
R E Taxes	\$221	\$221	\$221
PMI	\$40	\$40	\$40
Ins	\$40	\$40	\$40
Condo Fee	\$80	\$80	\$80
Total	\$1,120	\$1,101	\$1,082
Min Income	\$40,736	\$40,045	\$39,354
Boston Area Max Income	\$64,640	\$64,640	\$64,640
90 % of Max	\$58,176	\$58,176	\$58,176
80 % of Max	\$51,712	\$51,712	\$51,712
70 % of Max	\$45,248	\$45,248	\$45,248
60 % of Max	\$38,784	\$38,784	\$38,784

Assumptions

Int @ 6 % - Amoritization - 30 Years
Taxes @ \$18.31/\$1000
Condo Fee @ \$80/Mo
Min Inc @ 33% of Gross

Towne Building Selection Committee
Comparative Chart
9/16/03

<u>Items</u>	<u>Women's Institute</u>	<u>Homeowner's Rehab</u>
Description		
Contacts	Lynn Peterson, Felice Mandell (617) 367-0520	Peter Daly, Shelly Dein (617) 868-4858
Units	20	18
	(4) 1 BR + den (660-812 sf) rents: \$1174-1300	(7) 1 BR (530-840 sf) rents: \$818-1074
	(11) 2 BR (816-1020 sf) rents: \$1343-1475	(8) 2 BR (760-1310 sf) rents: \$981-1343
	(5) 3 BR + loft (1200-1224 sf) rents: \$1629-1680	(3) 3 BR (1080-1280 sf) rents: \$1134-1680
Total Bedrooms	41	32
Maximum occupants (2 per BR)	82	64
Parking spaces	41 (40 per zoning)	33-38 (36 per zoning)
Community Space	Yes, 576 sf. room, 168 sf. office	Yes, 90 sf. room
Affordability		
Section 8's ¹	5	5
60% AMI	0	7
80% AMI	6	0 (included in market rate)
Market	9	6 (80% AMI)
TOTAL	20	18
Incomes served	\$30,000-\$67,250	\$30,000-\$67,250

¹ Project based Section 8 certificates are vouchers that are given to eligible low income families by the Acton Housing Authority. The vouchers make up the gap between what the family can afford to pay and the rental price of the unit. These vouchers would be earmarked for permanent use at the Towne Building, providing a reliable revenue source.

Towne Building Selection Committee
 Comparative Chart
 9/16/03

	<u>Women's Institute</u>	<u>Homeowner's Rehab</u>
Cost		
Total development cost (includes prevailing wage)	\$4,264,953	\$4,381,890 (if tax credits and HOME funds are used, prevailing wage would not apply, dropping this cost by \$300,000.)
Per unit cost	\$213,248	\$243,438
Funding Sources		
	1. CDF (\$800,000) Alt#1: 4% Tax credit from Mass Development Alt#2: 9% tax credits but must be 100% at 60% AMI or below, highly competitive, 12-18mo delay 2. State AHT Fund (\$500,000) 3. HOME Funders (\$375,000) <u>Permanent Funding:</u> 4. MHP and private Foundation (\$2,590,000)	1. Tax Credit Equity (includes historic tax credits) (\$2,150,000) 2. HOME, HSF or DHCD (\$750,000) 3. AHTF or CDF (\$457,000) <u>Permanent funding:</u> 4. MHFA (\$1,029,000)
Lease Issues		
	Hold town harmless? Tenant not responsible to remediate any existing or undisclosed contamination Notice of termination of lease	Commencement date is construction loan closing date Schedules need to be flexible Final plans, RFP response was conceptual not final Stronger support statement needed for comp permit Rent \$1, Additional rent needs to be defined Repair of fire damage Insurance too high, \$2m w/ umbrella acceptable Lender issues, must be free of liens?

Towne Building Selection Committee
Comparative Chart
9/16/03

	<u>Women's Institute</u>	<u>Homeowner's Rehab</u>
<u>Track Record similar projects?</u>		
	1. Crescent Field Townhouses, Newton 2003 20 units of mixed income (relevant - suburban setting) 2. Dunmore Place Boston 6 units 3. Transition House Boston 11 units 4. Safe Passage Cambridge 6 units	1. CAST 42 units Cambridge, renovation 2. Auburn Park, 60 units Cambridge mixed, new construction 3. 808 Memorial Drive, 300 units renovation Architect has done one school reuse and other adaptive reuse of historic buildings
		Towne Building Selection Committee voted unanimously on 9/16/03 to recommend Homeowner's Rehab, Inc. be the developer for the Towne Building Reuse Project.

HOMEOWNER'S REHAB, INC.
280 Franklin Street
Cambridge, MA 02139

September 17, 2003

Town of Acton
Towne Building Selection Committee
c/o ACHC
P.O. Box 681
Acton, MA 01720

Via Fax: 978-264-9630

Dear Sirs and Madams:

Shelly spoke with Bob Whittlesey today, inquiring about our calculation of eligible basis used to forecast the amount of tax credits, and tax credit equity we can expect to generate. This is to respond to Bob's question about whether all sources of financing would be eligible, including the \$750,000 in HOME funds and the \$457,000 in Trust funds. (Please note that we've also listed alternate sources for these funds; specifically HSF funds in lieu of HOME, and CDBG/CDF II funds for Trust.)

Shelly spoke today with Jim Lockett, who is our syndication consultant, Michelle Dick from DHCD, and Andrew Winter from MassHousing: the Affordable Housing Trust Fund. She was not able to reach our accountant at Ziner on short notice.

Jim and Michelle confirmed that if the HOME funds are structured as a loan, they qualify for inclusion in the basis. The Trust funds are not as clear cut – but depend on the original source of financing for the Trust. Andrew confirmed that the Trust has been funded from general revenue and bond revenue, at different times. General revenue funds can be included in basis.

In a worse case scenario, the Trust may be financed using bond revenue, which would make it ineligible for inclusion in the basis. (Andrew stated there was still some unexpended Trust funds that were originally from general revenue, and could be used for some projects which would eliminate this problem.) We believe we have two other ways of addressing this issue, should it arise:

- Amount of eligible basis: DHCD caps the amount of eligible basis at \$155,000 per tax credit unit for new production, regardless of what the project costs are. Our projections are based on DHCD's cap (which we carried at \$150,000/unit.) The project generates more than \$1,000,000 extra basis than DHCD's cap – so if some needs to be disqualified, our projections should still be reasonable.
- We have the possibility of using other sources of financing (CDBG/CDF II) instead of Trust funds, which if structured as a loan, is a qualified source of financing, and will not cause the basis to be lowered.

We hope this addresses the concerns you had. Again, thank you for your consideration of our proposal.

Sincerely,

Peter Daly, Executive Director
Shelly Dein, Project Manager

To: Acton Board of Selectmen
CC: Don Johnson, Towne Building Re-use Committee
From: Bob Johnson
Date: September 18, 2003

Subject: Recommendation of the Towne Building Re-use Committee

As the Board of Selectmen's representative to the Towne Building Re-Use Committee, I recommend accepting the proposal of Homeowner's Rehab, Inc. for reuse of the Towne Building.

Two proposals were received in response to Acton's RFP for re-use of the Towne Building for affordable housing, one from the Women's Institute for Economic Development and one from Homeowner's Rehab, Inc. The committee reviewed both proposals and met separately with representatives of both on August 28th. Each replied to a set of follow-up questions specific to their proposal. The committee met again on September 16th. I attended the final 40 minutes of that meeting after the Board of Selectmen meeting as well as the entire first meeting on August 28th.

The committee was in agreement that we were in the enviable but difficult position of having to choose between two good proposals. After much discussion, we voted unanimously to recommend Homeowner's Rehab, Inc., subject to them satisfying the committee on one remaining question relating to a proposed funding source, which they did.

Two major factors persuaded us to favor Homeowner's Rehab. First, of the two organizations, HRI clearly appears to be more financially stable. Second, we agreed that their proposal is a much better fit to Acton's needs, especially in view of the way the proposal was presented to the April 2002 Town Meeting to keep the building standing and use it for affordable housing. The HRI proposal is aimed much more at mixed income housing. The Women's Institute's proposal has more units and many more bedrooms and had more of a feel of low rather than mixed income housing. We definitely respect what they are trying to do but it is not as consistent with what was presented to the town meeting.

I believe that this will be on the September 22nd agenda, which I will not be able to attend. Nancy Tavernier is putting together a detailed information package. I recommend both Nancy and Bob Whittlesey, or any other members of the committee, as sources for further details and to answer any questions.

The Towne Building Re-use Committee members who were active in this discussion:
Nancy Tavernier, Betty McManus, Dan Buckley, Ryan Bettez, Mary Ann Ashton,
Bob Johnson, Dean Charter, Bob Whittlesey

TO: Board of Selectmen
FROM: Towne Building Reuse Selection Committee
SUBJECT: Recommendation of Reuse proposal
DATE: 9/18/03

The Towne Building Reuse Selection Committee has completed its work of reviewing the responses to the RFP received on August 4, 2003 and is hereby transmitting its recommendation to the Board of Selectmen. Your concurrence on September 22 will help us "hit the ground running."

Two responses were received to the Towne Building Request for Proposals. Both proposers are well established and respected nonprofit housing development corporations. They are the Women's Institute for Housing and Economic Development of Boston and Homeowners Rehab, Inc. of Cambridge. After initial review, the Committee believed that both firms could undertake the development successfully and each had submitted responsive and sound proposals. But there were important differences in the proposals.

Copies of both proposals were given to all the Committee members. Following individual review of the proposals, there were two committee meetings that included interviews on August 28 with both corporations. Principals of both firms attended the interviews and the presentations were informative. Both firms indicated great interest in doing the development. Issues arose at the interviews that required further clarification and a list of questions was sent to each corporation for supplementary answers. *On receipt of the supplementary responses, the Committee met on September 16 at which time it made its decision to recommend to the Board of Selectmen that Homeowners Rehab, Inc (HRI) be selected. The vote was unanimous with one member absent.*

The reasons for the decision are as follows:

It was the Committee's opinion that HRI's proposal is more economically feasible, had greater financial flexibility and contingencies, and is based upon more generous funding. It proposes utilizing Low Income Housing and Historical Tax Credits. These reduce required first mortgage debt and insure sounder long-term financial viability. HRI has had much more experience with Tax Credit financing than Women's Institute. HRI also has more experience with housing development and considerably greater net worth.

HRI proposes 18 units and Women's Institute (WI) proposed 20 units. Both met the affordability requirements contained in the RFP. It was the Committee's opinion that the apartment sizes and configuration as proposed by HRI was more appropriate as mixed-income housing in Acton and more consistent with the conceptual design that had been presented previously to the Town.

The 50-year Lease was included in the RFP and both proposers had a number of issues that needed to be resolved. For example, both proposed that the lease be signed at the point of assurance of construction funding. It was the Committee's opinion that changes

requested were reasonable and could be satisfactorily negotiated. An Interim Agreement with HRI on the terms of the Lease needs to be accomplished by the end of November.

The Committee has confidence that HRI will undertake the development and later the management role with dedication and skill and a willingness to cooperate with the Town to ensure the success of the development and the achievement of the goals of the Town.

HRI is prepared to move forward promptly following selection. It is critical that drawings and specifications be prepared as soon as possible so the funding requests can be filed, certainly by next January. Zoning issues, curb cuts, and building permit requirements will have to be resolved prior to funding submissions. We will also have to apply to the ZBA for a comprehensive permit. We have much work to do.

The RFP and the proposed lease were carefully scrutinized by Town Counsel prior to their release. There was a lengthy review process by both Palmer and Dodge and Town staff. Dean Charter handled the RFP advertising, the gathering of documents, and the distribution of the packages to responders. He also gave the Committee valuable guidance on 30B procurement questions. We anticipate negotiations will commence shortly to finalize the design components, the lease, and any other outstanding issues. The Board will be kept apprised of these negotiations. It will be the Board's responsibility to sign the final lease.

We have prepared an information packet for the Board that includes: the RFP, the HRI proposal and follow-up correspondence, a chart that we used to compare the proposals, and information on Low Income and Historic Tax Credits.

In the end, our selection was based on our belief that HRI was the "more likely to succeed." This is an extremely visible project with much credibility riding on its success. The Committee has done its homework well and carefully deliberated the choices. We are comfortable with our decision and hope the Board will vote to approve the awarding of the contract to Homeowners Rehab, Inc. We are a year behind where we hoped to be due to a number of unforeseen circumstances but we believe we are now on track. We thank you in advance for your confidence in our recommendation.

Committee Members:

Nancy Tavernier, Chair (non-voting)

Don Johnson

Dean Charter

Bob Johnson

Mary Ann Ashton

Betty McManus

Bob Whittlesey

Dan Buckley

Ryan Bettez

TO: Board of Selectmen
FROM: Towne Building Reuse Selection Committee
SUBJECT: Recommendation of Reuse proposal
DATE: 9/19/03

The Towne Building Reuse Selection Committee has completed its work of reviewing the responses to the RFP received on August 4, 2003 and is hereby transmitting its recommendation to the Board of Selectmen. Your concurrence on September 22 will help us "hit the ground running."

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The RFP and the proposed lease were carefully scrutinized by Town Counsel prior to their release. There was a lengthy review process by both Palmer and Dodge and Town staff. Dean Charter handled the RFP advertising, the gathering of documents, and the distribution of the packages to responders. He also gave the Committee valuable guidance on 30B procurement questions. We anticipate negotiations will commence shortly to finalize the design components, the lease, and any other outstanding issues. The Board will be kept apprised of these negotiations. It will be the Board's responsibility to sign the final lease.

We have prepared an information packet for the Board that includes: the RFP, the HRI proposal and follow-up correspondence, a chart that we used to compare the proposals, and information on Low Income and Historic Tax Credits.

In the end, our selection was based on our belief that HRI was the "more likely to succeed." This is an extremely visible project with much credibility riding on its success. The Committee has done its homework well and carefully deliberated the choices. We are comfortable with our decision and hope the Board will vote to approve the awarding of the contract to Homeowners Rehab, Inc. We are a year behind where we hoped to be due to a number of unforeseen circumstances but we believe we are now on track. We thank you in advance for your confidence in our recommendation.

Committee Members:

Nancy Tavernier, Chair (non-voting)

Don Johnson

Dean Charter

Bob Johnson

Mary Ann Ashton

Betty McManus

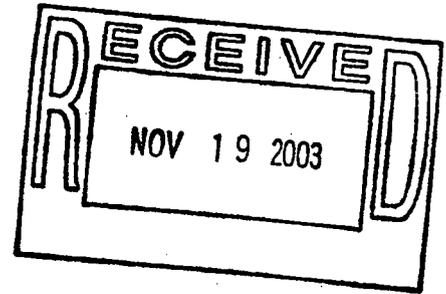
Bob Whittlesey

Dan Buckley

Ryan Bettez

BOS
ACHC / 11/24

HRI
HOMEOWNER'S
REHAB, INC.



November 17, 2003

Mr. Don P. Johnson, Town Manager
Town of Acton
472 Main Street
Acton, MA 01720

By: Fax (978) 264-9630 and First Class Mail

RE: Towne Building Reuse

Dear Don:

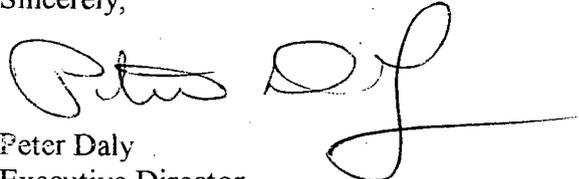
We want to thank you for selecting Homeowner's Rehab, Inc. (HRI) to develop the Towne Building Reuse for affordable housing. You have our commitment to work diligently to produce a development of which we will both be proud.

We expect to incur in excess of \$400,000 in development costs between now and construction closing. In order to raise these funds, we will need to enter into a development agreement with the Town which will clarify our respective roles and responsibilities. The agreement will incorporate both the RFP and the draft lease and be superceded by the lease when it is executed.

We will be sending you the proposed development agreement in the next few days. We would certainly be willing to discuss it with you or answer any questions that you might have. We will need to start engaging third party consultants in the very near future in order to prepare a submittal for the State's winter funding round, so we hope to resolve any issues as quickly as possible.

Thank you in advance for your attention to this matter.

Sincerely,


Peter Daly
Executive Director



**TOWNE SCHOOL BUILDING
REUSE
AS AFFORDABLE HOUSING**

**Proposal for Long-Term Lease and Renovation of
Towne Building Property
Acton, Massachusetts**

Submitted by:
HOMEOWNER'S REHAB, INC.
280 Franklin Street
Cambridge, MA 02139

Submitted on:
August 4, 2003

Towne School Apartments
Acton, Massachusetts

Homeowner's Rehab, Inc. (HRI) is pleased to present this preliminary proposal to develop the vacant Towne Building into 18 units of mixed income apartments including those that serve low, moderate, and middle income families. We are submitting information about our concept for the redevelopment of this site. The information is not as complete as was requested, because we believe there are some options, and we would like to have the opportunity to engage the Town in making some of these decisions. We believe that in doing so, we can best produce housing that meets the needs of the community.

Design

HRI proposes the redesign of the school interior to be a mix of one, two, and three bedroom units. The unit mix includes seven (7) one-bedroom apartments, eight (8) two-bedroom, and three (3) three-bedroom units for families.

The scope of the construction includes the restoration of the building's historic exterior and the gut renovation of the interior. Given the proximity to the public schools, we strove to maximize the number of family-sized units, and are able to include three (3) three-bedroom and eight (8) two-bedroom units. In addition, the building will be configured to include a two-bedroom wheelchair-accessible unit. We've included four private outdoor spaces for the ground-floor three-bedroom apartments, the wheelchair accessible apartment, and another ground-floor two-bedroom apartment. Other areas around the building will be open to the public and will be landscaped. The main entry to the building will be on the Massachusetts Avenue side of the building.

We've included an alternative schematic site plan to demonstrate the maximum number of spaces that would fit on the site, given the design guidelines and proposed lot line. The Town wishes that all parking is to be on the eastern side of the property. Based on the survey provided by the Town, we understand that the leased area will extend 70' from the east side of the building. Double-sided parking lots with two-way traffic are typically about 70' wide, and we believe that minimally a sidewalk and landscaped buffer is appropriate between the building and the parking area. We were able to include 33 parking spaces (including two spaces designed for handicapped access), which allows for 1.5 spaces for each one-bedroom apartment, and 2 spaces for each two- and three-bedroom apartment.

Mostue and Associates is providing architectural services. They have extensive experience in designing affordable housing and adaptive reuse of properties, including historic structures. Mostue and Associates makes a strong commitment to energy

conservation and "green" buildings. A description of the firm's profile is included, as are resumes of the principal and staff assigned to this project.

Affordability and Financing

We understand that the Town seeks to provide a sizable percentage of affordable housing within a mixed-income development. We believe the Town has several alternatives. We've presented two options.

The first alternative, and the one we recommend is to finance 67% of the apartments for households under the Section 8 and Tax Credit Programs. The household income guidelines are up to 50% and 60% of area median income. We have set initial rent levels for the remaining apartments at levels affordable to households at or below 80% median income, although depending on the Town's wishes, we do not necessarily need to restrict occupancy to that income group. We believe these rent levels to be fairly close to market rents in the presently soft rental market.

80% = market

In addition to the equity raised through an award of tax credits, this alternative assumes between \$750,000 and \$1,125,000 in State resources, likely through the HOME Program, or Housing Stabilization Fund, and Affordable Housing Trust Fund. We would also hope to receive a commitment of at least \$300,000 in Community Preservation Act funds from the Town. Combined with expected energy rebates, a loan of part of the developer's fee, and first mortgage financing, we believe this to be a competitive financing scenario.

The second scenario more closely follows the affordability structure outlined in the RFP. This scenario also has five (5) apartments receiving Section 8 rental assistance, and seven (7) additional apartments reserved for households earning up to 80% area median income. The initial rent levels for the other six (6) apartments were set at levels affordable to households at or below 80% median income, although again, depending on the Town's wishes, we do not necessarily need to restrict occupancy to that income group.

The second scenario assumes a significantly higher commitment of State resources, of between \$1,550,000 and \$2,090,000. Sources would need to include HOME or Housing Stabilization Fund, and Affordable Housing Trust Fund and Community Development Funds II Program. This last program is a CDBG program for the Town. Again, we would also hope to receive a commitment of at least \$300,000 in Community Preservation Act funds from the Town. Combined with expected energy rebates, a loan of part of the developer's fee, and first mortgage financing, we believe this to be a less competitive financing model, due to the heavy reliance on multiple state programs.

The financial plans that HRI submitted includes a variety of state, local, and private resources necessary to complete the project. We are prepared to work closely with the Town to decide between them, and to submit funding applications if our proposal is selected.

Construction

Construction costs are based on comparable projects that are similar in scale and amenities to this. All work and materials will be high quality, selected for their durability, cost effectiveness, and attractiveness. We would expect to select a general contractor through a competitive process, and it is premature for us to have done so yet.

Property Management

HRI will work with the local housing authority in the selection of Section 8 residents and HRI will complete an affirmative marketing plan that identifies how we are going to conduct outreach to our target group, families. Preference for Acton residents, to the extent permissible by law, will be included.

HRI presently works with three distinct management agents that manage the properties we've developed. Winn Management manages 95% of our rental properties and we would expect that they will likely manage this development. They have a long history of successfully managing affordable housing developments and have considerable experience with the monitoring of the tax credit developments if we are to submit to the state for tax credits. HRI will provide asset management services to insure the properties continued success as quality affordable housing.

Proposed Lease and Timing

To meet the affordability goals and to make the project feasible we have assumed a modest annual rental price from the Town as well as reduced assessments based on the affordability restrictions of the development. We understand that the proposed term of the lease is 50 years.

HRI staff have read the lease and do not expect to need to make extensive changes. We have not had our attorney review it as of this point. We expect to finalize the terms of the lease within 90 days of developer selection. We expect to execute the lease at the construction loan closing.

The next round of state financing has an application deadline of September 4, 2003. It is unlikely that we would be prepared to submit a competitive application within that time frame. Instead, we would be fully prepared with a complete, well thought-out application in the Spring round. If successful in that round, we would then apply for Mass. Affordable Housing Trust Funds. We expect to start construction in the Winter of 2005, and complete construction and achieve occupancy the following year.

Towne School Apartments

Design Concept

DESIGN INFORMATION

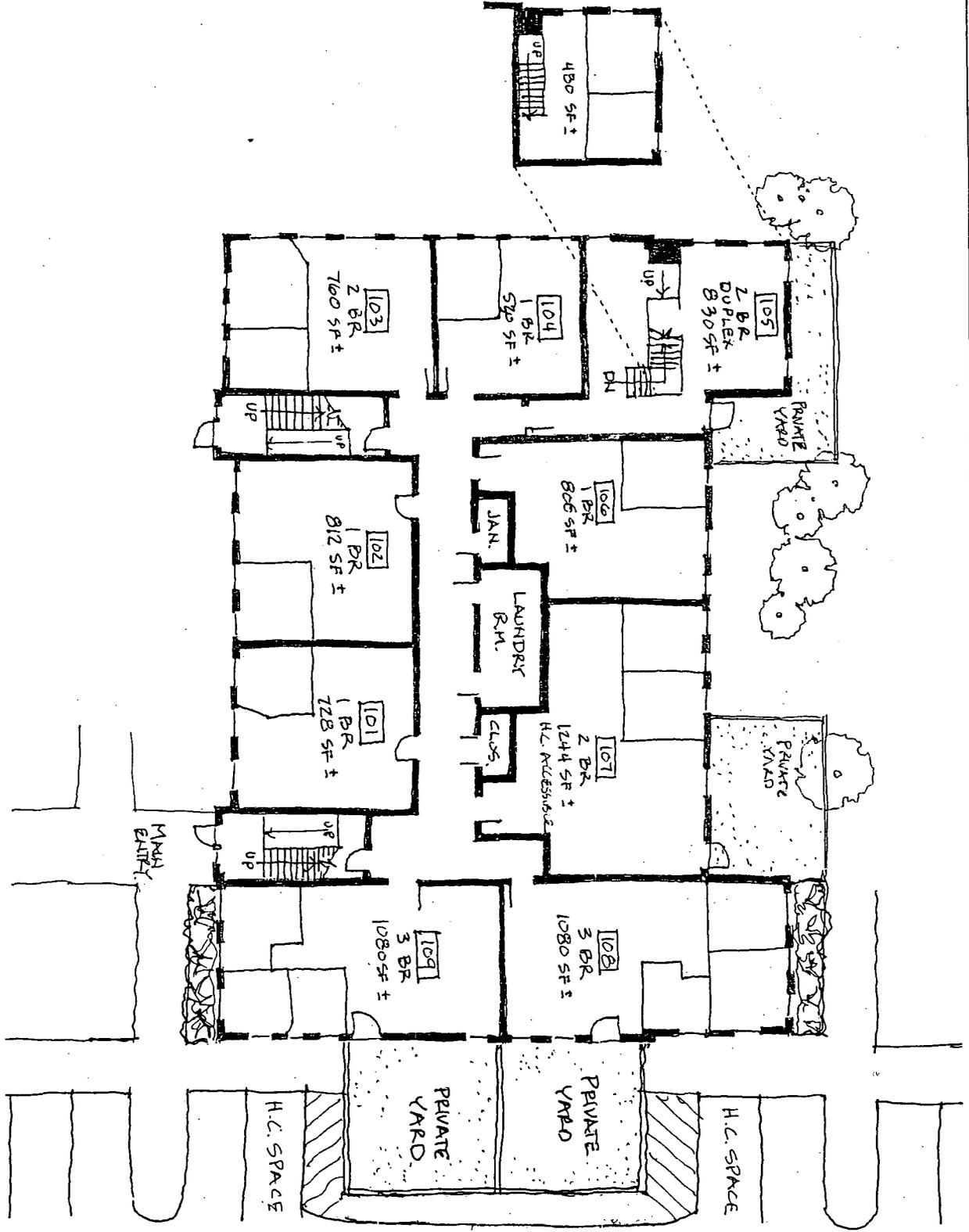
- Eighteen (18) Units on Two Floors
- Seven (7) One-Bedroom Units
- Eight (8) Two-Bedroom Units (including one wheelchair accessible unit)
- Three (3) Three-Bedroom Units
- Thirty-three (33) Parking Spaces (including two handicapped accessible)
- Laundry Room on Ground Floor

First Floor:

- Unit 101: 1-Bedroom 728 SF
- Unit 102: 1-Bedroom 812 SF
- Unit 103: 2-Bedroom 760 SF
- Unit 104: 1-Bedroom 530 SF
- Unit 105: 2-Bedroom Duplex 1,310 SF
- Unit 106: 1-Bedroom 806 SF
- Unit 107: 2-Bedroom Accessible 1,244 SF
- Unit 108: 3-Bedroom 1,080 SF
- Unit 109: 3-Bedroom 1,080 SF
- Common Laundry Room
- Janitor's Closets

Second Floor:

- Unit 201: 2-Bedroom 932 SF
- Unit 202: 2-Bedroom 932 SF
- Unit 203: 3-Bedroom 1,280 SF
- Unit 204: 1-Bedroom 840 SF
- Unit 205: 2-Bedroom 1,050 SF
- Unit 206: 1-Bedroom 700 SF
- Unit 207: 2-Bedroom 900 SF
- Unit 208: 1-Bedroom 600 SF
- Unit 209: 2-Bedroom 870 SF
- Mechanical Rooms
- Janitor's Closet



Drawing No. 1	Scale	Project No.
	1/16" = 1'0"	
	Designed	Checked
	Drawn	Reviewed
	Date	DWG File Name
	8.1.2003	

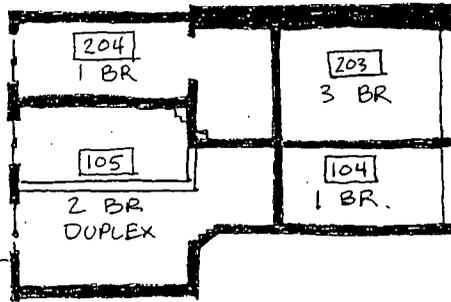
MOSTUE & ASSOCIATES
ARCHITECTS, INC.

240A Elm Street
Somerville, MA 02144
Tel: 617-628-5700
Fax: 617-628-1717
E-mail: info@mostue.com

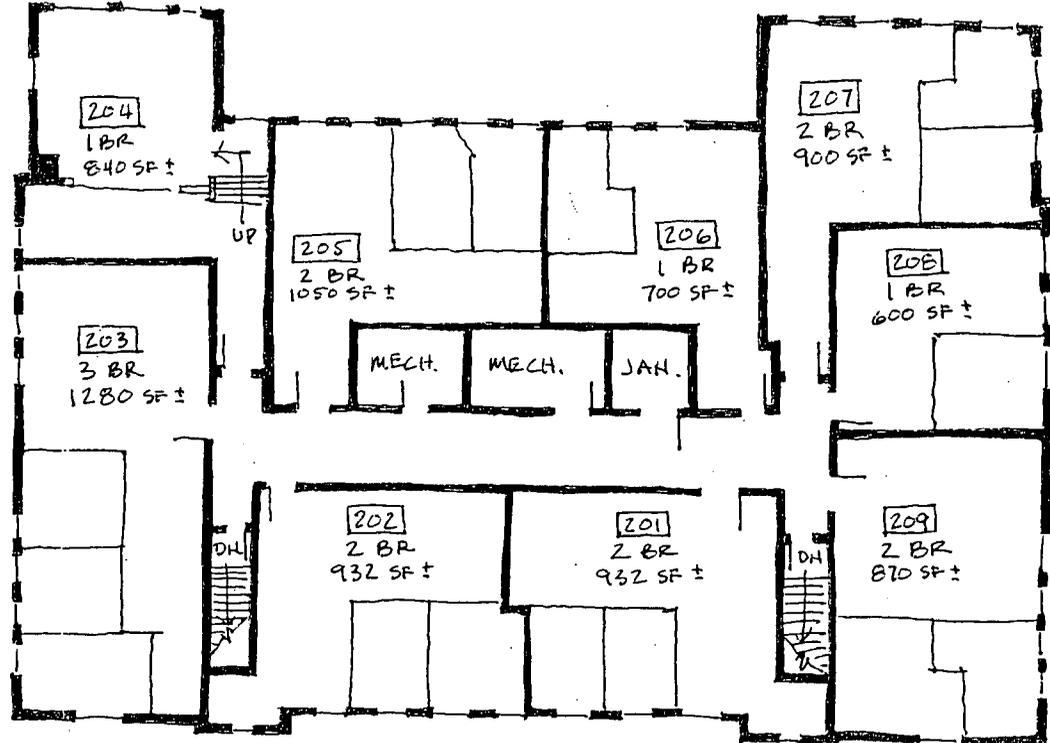
Project
**RENOVATIONS TO
TOWNE SCHOOL BUILDING**
MASSACHUSETTS AVENUE, ACTON, MASSACHUSETTS

Drawing Title
SCHEMATIC 1ST FLOOR PLAN

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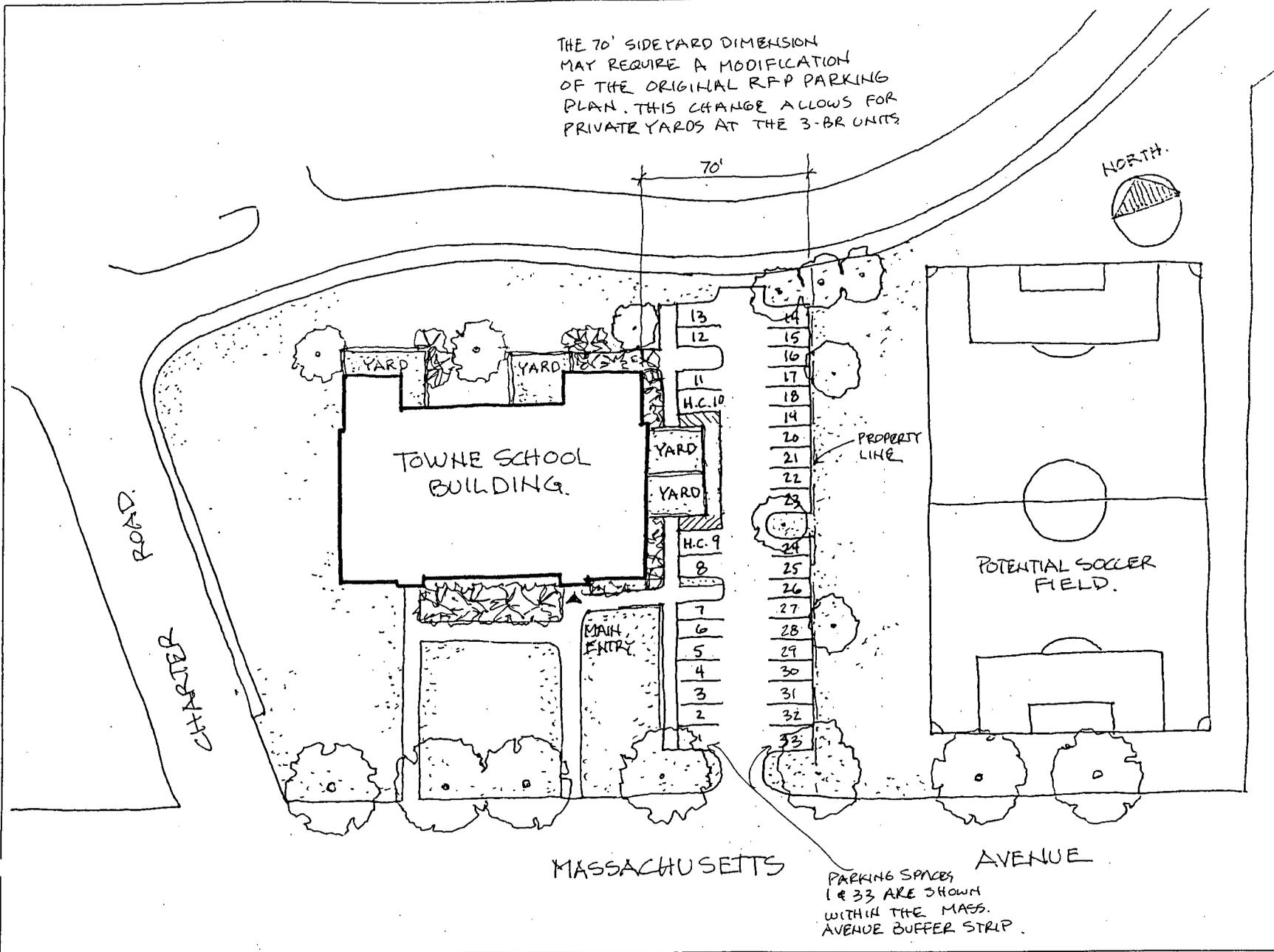


SECTION AT DUPLEX



Project RENOVATIONS TO TOWNE SCHOOL BUILDING MASSACHUSETTS AVENUE, ACTON, MASSACHUSETTS		Drawing Title SCHEMATIC 2ND FLOOR PLAN	
Project No. 1/16" = 1'0"		Project Name MOSTUE & ASSOCIATES ARCHITECTS, INC.	
Designed 8.1.2003	Checked	Drawn	Date 8.1.2003
Drawn	Rerevised	DWG File Name	2
Copyright 2003, Mostue & Associates Architects, Inc.			

THE 70' SIDEYARD DIMENSION
MAY REQUIRE A MODIFICATION
OF THE ORIGINAL RFP PARKING
PLAN. THIS CHANGE ALLOWS FOR
PRIVATE YARDS AT THE 3-BR UNITS



Project RENOVATIONS TO TOWNE SCHOOL BUILDING MASSACHUSETTS AVENUE, ACTON, MASSACHUSETTS		Drawing Title SCHEMATIC SITE PLAN	
Project No. 1" = 40' Designed Drawn Date 8.1.2003		Mostue & Associates Architects, Inc. 240A Elm Street Somerville, MA 02144 Tel: 617-628-5700 Fax: 617-628-1717 Email: info@mostue.com	
Scale 1" = 40' Drawing No.		Project No. Checked Reviewed DWG File Name	
		3	

Towne School Apartments

Development Team

Development Team Summary

Developer: **Homeowner's Rehab. Inc. 501c3**
280 Franklin St.
Cambridge MA. 02139
contact persons: Peter Daly, Executive Director
Shelly Dein, Project Manager
telephone/fax (617) 868-4858
(617) 868-1022

Architect: **Mostue & Associates**
240A Elm St.
Somerville, MA.02144
contact persons: Clifford Boehmer, Vice President and Principal
Iric Rex, Associate
telephone/fax (617) 628-5700
(617) 628-1717

Property Manager **Winn Residential**
6 Faneuil Hall Marketplace
Boston, MA.02116
contact person: Martin Raffol, Senior Vice President
telephone/fax: (617) 742-4500
(617) 742-0725

See attachments for organizational profiles

HRI

HOMEOWNER'S
REHAB, INC.

History of Homeowner's Rehab, Inc.

Homeowner's Rehab, Inc. (HRI) was established in 1972 to create and preserve affordable housing for low and moderate-income households in Cambridge, Massachusetts. HRI accomplishes this through programs that stabilize homeownership for existing owners, create new homeownership opportunities for first-time homebuyers and provide affordable rental housing for Cambridge families. HRI has developed over 1,400 units and owns approximately 870 units of housing in Cambridge.

HRI's goal and the mission of the organization is to provide affordable housing for low and moderate income residents in Cambridge. Last year HRI's Board of Directors voted to further our mission of providing affordable housing to nearby communities.

HRI accomplishes this mission through various programs. Some programs provide affordable rental housing for families; others create new homeownership opportunities for first-time homeowners, and still other programs stabilize homeownership for existing owners. Below is a description of the programs HRI provides to Cambridge residents.

In order to aid residents in preserving and stabilizing their status as homeowners, HRI runs a Home Improvement Program. Financial and technical assistance is offered to homeowners who wish to make improvements to their homes. More than 500 units have been renovated for low and moderate income homeowners, thereby stabilizing the residency of these households.

An affiliate of HRI, Cambridge Neighborhood Apartment Housing Services (CNAHS), concentrates on creating new and maintaining existing affordable housing. This is accomplished through new construction and rehabilitate well as by providing low interest loans to multi-family housing owners who are willing to keep the units affordable.

The Housing and Development Program creates rental and homeownership opportunities for families. This program has evolved from the acquisition and renovation of single and multifamily properties (sold to first-time homebuyers as limited equity condominiums and cooperatives), to the acquisition, renovation and portfolio ownership of 870 rental units for primarily low and moderate-income families.

As developer, HRI is involved in all aspects of the project from the early stages of planning and predevelopment financing, to acquisition, construction, marketing, and asset management. In addition, development of limited equity condominiums and cooperatives

THIS AGENCY IS
SUPPORTED BY



include training for the new owners' and the creation of the legal documents for the new entity.

HRI employs 11 full-time paid staff that collectively possess a wealth of knowledge, and experience in affordable housing development. A 16-person board of directors governs the organization, which is made up of professionals in the affordable housing industry as well as community residents.

HRI has successfully leveraged financing for its projects from a variety of public, private, and charitable sources including many Cambridge banks, corporations, and institutions. HRI's solid and innovative track record has earned it widespread support in the community, as well as locally and nationally.

Below is a list of achievements that HRI has recently accomplished:

CAST 55-57 Columbia St. (2003)

42 units under construction. Completion expected September 2003

2.5 Million dollars in renovation. Construction Waste Management Plan and Recycling Initiative underway. Energy Star light fixtures and appliances installed.

Key Funders:

Massachusetts Housing Partnership Fund

Massachusetts Dept. of Housing and Community Development

Massachusetts Housing Investment Corporation

The City of Cambridge

Auburn Park (2000)

Recipient of the "2000 Award for Excellence in Affordable Housing"

A 60 unit mixed income, new construction, syndicated rental property located within University Park in Cambridge. Auburn Park is the final phase of housing HRI built at University Park, which is owned by MIT. The development was the culmination of over 15 years of community activism to develop affordable housing at University Park. Adjacent to the housing is a privately owned public park that HRI completed with community input on the design. Designated Energy Star Homes.

Total Development Costs: \$12 million

Key Funders:

Massachusetts Housing Partnership Fund

Massachusetts Dept of Housing and Community Development

Massachusetts Housing Investment Corporation

The City of Cambridge

Bedrick Properties (2000)

95 units of scattered site rental properties. The owner of these properties had worked with our affiliate CNAHS in the past to provide low interest loans for renovations in return for renting to low income families. Prior to his death, and to protect the existing low income residents, the owner sold the portfolio to HRI.

Currently several units are being renovated and designated Energy Star apartments.

Total Development Costs: \$16 million

Key Funders:

The City of Cambridge

Neighborhood Reinvestment Corp.

Massachusetts Dept. of Housing and Community Development

Additional financing provided by seller

37 Union St., 77 Elm St, 115 Lincoln St. (1999-2001)

Acquisition of three, 6 unit rental properties requiring substantial rehabilitation and relocation of existing residents. Construction complete on two buildings , 25% complete on 115 Lincoln St.

Total Development Costs: \$1.7 Million

Key Funders:

Cambridge Neighborhood Apartment Housing Services

Local Bank

The City of Cambridge

Harvard Properties (1999)

At the end of Rent Control in Cambridge, Harvard University decided to divest of many of their multifamily properties. The City and local community urged Harvard University to sell a percentage of their units to the City to preserve them as affordable housing. HRI purchased 100 units of scattered site housing from Harvard University. Many of the buildings are within walking distance of Harvard Square. This neighborhood had one of the lowest percentages of affordable rental housing in the city. Renovations are in progress on apartments upon turnover.

Total Development Costs: \$9 million

Key Funders:

Massachusetts Dept. of Housing and Community Development

The City of Cambridge

Massachusetts Housing Partnership

Local Banks

808-812 Memorial Drive (1997)

This 300-unit expiring-use/mixed income property was purchased in 1997 by HRI in partnership with the residents. More than 9 million dollars in renovations were completed in 1999 that included temporary relocation of every resident. HRI and the residents continue to work on additional improvements at the property. The lobbies were recently renovated which included the construction of a HUD funded Computer Learning Center.

Total Development Costs: \$40 Million

Key Funders:

HUD Preservation Grant

Massachusetts Housing Financing Agency

Massachusetts Dept. of Housing and Community Development

Related Capital Corporation

The City of Cambridge

Mostue & Associates: Firm Profile

MOSTUE & ASSOCIATES



ARCHITECTS, INC.

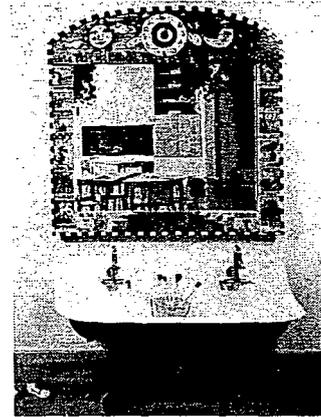
We are an architectural design and planning studio with a simple mission: to produce excellent design, to develop long-term relationships with clients, and to help build viable communities. Our current areas of expertise include:

- | | |
|-------------------------------------|--------------------------------|
| Multi-family housing | Feasibility & needs assessment |
| Private residences | Childcare centers |
| Renovations & historic preservation | Community service buildings |
| Academic facilities | Corporate interiors |

Founded in 1984, MOSTUE & ASSOCIATES ARCHITECTS, INC. is a medium-sized firm organized into project-specific teams. We maintain the same team from schematic design through construction, under the direction of an Associate. As a result of this continuity, our clients come to know and rely on individual staff members over time, seeking them out for subsequent projects.

Our best work is achieved in collaboration with demanding, involved clients. Design solutions evolve through careful consideration of our clients' needs, constraints, and dreams. To this we add a commitment to architecture that is both beautiful and respectful of its surroundings.

Working within the design studio tradition, we have created an open, collegial work environment where education is highly valued; where the exchange of ideas, informed by experience, is encouraged; and where the most advanced technology supports the design process. Finally, our success has allowed us to contribute a portion of our profits to worthy community service organizations, in the belief that strong communities and great architecture are mutually dependent.



Photos:

Bright Horizons Children's Center
808-812 Memorial Drive Housing Charitable Trust
3D computer rendering, D.E.A.F, Inc.
Alewife Condominiums

**SELECTED PROJECTS:
ADAPTIVE REUSE OF THE TOWNE SCHOOL**

PROJECT NAME / LOCATION

CLIENT / DESCRIPTION

**Harvard University
Dining Services**
Cambridge, MA

Harvard Real Estate, Inc.
An adaptive reuse of two adjacent brick apartment buildings in the Harvard Square Preservation District. Work for Harvard Dining Services included the complete restoration of the building exterior (including all new windows and extensive masonry restoration), a new brick stair-tower addition and the design of four complete floors of office and support areas.

**One Summer Street
Feasibility Study**
Somerville, MA

Somerville Community Corporation
Mostue & Associates' Feasibility Study for One Summer Street explores the owner's options to restructure the building for commercial, childcare, and residential use. The study considers a number of strategies to adapt the church, including the addition of new floors within the large sanctuary volume; new roof windows to intensify the use of space within the roof volume; and tall two-story dormers to allow for additional windows and floor area.

Pondview Apartments
Jamaica Plain, MA

Jamaica Plain Neighborhood Development Corporation
In a neighborhood where rising property values have driven out many long-time residents, the renovation of Pondview Apartments will help maintain 60 units of affordable housing. Mostue & Associates worked with the building's residents and owners to develop a project scope that met their needs without overreaching their budget. Renovation work includes restoration and rebuilding of the exterior masonry, and the updating of the electrical and heating systems.

Warren Avenue Apartments
Boston, MA

Warren Avenue Tenants' Association
In Boston's emerging South End, where the demand for elegant brownstones has pushed market values into the stratosphere, Warren Avenue Apartments has preserved affordability for 30 families in six historically significant buildings. Working under stringent Landmarks Commission guidelines, we replaced windows and restored stone window sills and lintels with handcut historic patterns in these brick and brownstone rowhouses. Interior improvements include all new kitchens and baths, heating systems, and finishes.

MOSTUE & ASSOCIATES



ARCHITECTS, INC.

SELECTED PROJECTS *continued*

PROJECT NAME / LOCATION

CLIENT / DESCRIPTION

Linden Street
Somerville, MA

Somerville Community Development Corporation
The Linden Street neighborhood in Somerville has suffered from encroachment by industrial and retail development. Our plan reclaims this urban enclave for community-oriented living. Along Charlestown and Merriam streets, longer apartment buildings screen the neighborhood from large, unsightly commercial structures. Along Linden Street, three-family housing extends the scale and rhythm of the existing fabric. A landscaped Commons with pathways provides access to the neighborhood and encourages the use of variously scaled greenspaces for community activities. Adjacent to the Commons is safe, convenient parking for residents, rounding out the design scheme for this once-endangered area.

Alewife Condominiums
Cambridge, MA

Just-A-Start Corporation
Mostue & Associates designed twelve award-winning condominium units on the prominent Rindge Avenue in North Cambridge. In 1999, the Boston Society of Architects recognized our firm with the Urban Design Award for the site's contribution to the Rindge Avenue Neighborhood Restoration initiation. The project was an opportunity to improve the public space through the provision of privately owned affordable housing. One of the new affordable housing units involves the restoration of an existing historic "worker's cottage" dating back to the early 1900s while maintaining Cambridge Historical Commission guidelines.

Summer Street Condominiums
Manchester-by-the-Sea, MA

Manchester Affordable Housing Corporation
"Smart growth" is the key to this affordable new neighborhood located in the heart of historic Manchester-by-the-Sea. It is a mixed-income, mixed-use development that features owner-occupied townhouses, rental apartments, condominium flats, and three retail condos, in a community with few affordable options. The Summer Street project is a model 40B development that owes its successful "fit" to the hard work of the Manchester Affordable Housing Corporation, the Manchester Housing Authority, and many other town officials and citizens.

MOSTUE & ASSOCIATES



ARCHITECTS, INC.

SELECTED PROJECTS *continued*

PROJECT NAME / LOCATION

Interfaith Housing
Boston, MA

Mishawum Park Apartments
Charlestown, MA

Lowell Street School
Cambridge, MA

CLIENT / DESCRIPTION

Madison Park Development Corporation

In the 19th century, Boston's South End stood as one of the most fashionable residential neighborhoods in the city. However, the later development of the Back Bay area drew the upper class families out of the South End, leaving many of the once-beautiful buildings to disrepair. Recently, an effort has been made to renovate and re-establish what is still the largest remaining urban Victorian residential neighborhood in the United States. As a part of this endeavor, Mostue & Associates is restoring four South End affordable housing apartment buildings to their original grandeur.

Mishawum Park Tenants' Association

The 337 units in the Mishawum Park Apartments represent seven percent of Charlestown's rental stock and the last major rehabilitation project funded by the HUD Title Six Preservation Program. Our design intent was to visually break down the 19 long blocks into domestic-scale units more appropriate to their Charlestown context. Architectural improvements included upgrades of all building systems, including envelope, mechanical, electrical, plumbing, and life safety.

City of Cambridge's Community Development Department

Adaptive reuse study of historic school to housing. This historic school had been used as a community art center for many years and the City wanted to investigate the feasibility of relocating the center at the end of its lease and rehabilitating the building to create additional affordable housing in the area.

MOSTUE & ASSOCIATES



ARCHITECTS, INC.

SELECTED PROJECTS *continued*

PROJECT NAME / LOCATION

CLIENT / DESCRIPTION

Squirrel Nut Factory
Cambridge, MA

City of Cambridge's Community Development Department
Adaptive reuse study of historic factory to housing for the City of Cambridge's Community Development Department. These three former residential buildings and one elegant historic brick candy factory in a dense residential neighborhood were purchased by the city for adaptive reuse as affordable housing. Our feasibility study served as the basis for neighborhood presentations and the final Request for Proposals from developers.

Latin Academy
Boston, MA

Codman Square Neighborhood Development Corporation
Feasibility study and zoning analysis to convert a historic school gymnasium to housing.

Brookford Street Factory
Cambridge, MA

City of Cambridge's Community Development Department
Feasibility study and zoning analysis to convert a factory to housing.

Genoa Packing Company
Cambridge, MA

City of Cambridge's Community Development Department
Feasibility study and zoning analysis to convert a historic meat packing plant to housing.

Masse Hardware
Cambridge, MA

City of Cambridge's Community Development Department
Feasibility study and zoning analysis to develop mixed-use retail space and multi-family housing from a hardware store and adjacent parcels.

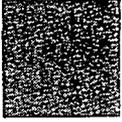
MOSTUE & ASSOCIATES



ARCHITECTS, INC.

Harvard University Dining Services

MOSTUE & ASSOCIATES



ARCHITECTS, INC.



Location:

65-67
Winthrop St.
Cambridge, MA

Owner:

Harvard Real
Estate, Inc.

Size:

10,000
square feet

Cost:

\$1.1 million

Photo:

Dario Preger

An adaptive reuse of two adjacent brick apartment buildings in the Harvard Square Preservation District. Work for Harvard Dining Services included the complete restoration of the building exterior (including all new windows and extensive masonry restoration), a new brick stair-tower addition, exterior site improvements, and the design of four complete floors of office and support areas. Major building modifications were required to achieve disabled accessibility, including a new main entry, new elevator, and bathroom core.

CLIFFORD BOEHMER, AIA

Vice President and Principal

EDUCATION: Harvard Graduate School of Design, Masters in Architecture, 1987
Massachusetts Institute of Technology, Bachelor of Science in Art and Design,
1974

REGISTRATION: Architect: Massachusetts 10697

AFFILIATIONS: American Institute of Architects
Boston Society of Architects

PROFESSIONAL EXPERIENCE: Clifford Boehmer's work at Mostue & Associates Architects, Inc. since 1991 includes master planning, designs for new residential developments, community centers, multi-family buildings, and private residences. He has also provided architectural services for full renovations of apartment and office buildings, and performed numerous Capital Needs Assessments for a variety of building types.

In 1987, Cliff established Dirigo Design, a firm specializing in new single-family residences. His designs have been published in magazines, textbooks, and newspapers.

Work in other local firms has included land-use plans and new residences (Conservation Planning Corp.); new multi-family developments, single-family renovations, and additions (Putnam and Associates); and new single-family residences (Edward Allen, Architect).

Cliff has taught and participated in design studios at the Massachusetts Institute of Technology, the Museum of Fine Arts (Boston), and the National Conservatory in San Sebastian, Spain.

MOSTUE & ASSOCIATES



ARCHITECTS, INC.

IRIC L. REX, AIA

Associate

EDUCATION: Harvard University Graduate School of Design, Masters in Architecture, 1990
Trinity College, Bachelor of Arts in Biology, 1985

REGISTRATIONS: Architect: Massachusetts 9074

AFFILIATIONS: American Institute of Architects
Boston Society of Architects
LEED Accredited-Leadership in Energy and Environmental Design

PROFESSIONAL EXPERIENCE: Iric Rex is an Associate at Mostue & Associates Architects, Inc., where he leads project teams in the planning and design of new housing developments and community spaces, firm-wide integration of environmental design concepts, detailed building analysis, and consulting to public agencies regarding multi-family housing. In meeting these challenges, he has extensive experience with the layered requirements of public and private funders, regulators, neighborhood groups, and building officials.

Iric has focused on environmental design concepts, ranging from projects utilizing sustainable design technologies to carefully crafting the landscaped environment that his buildings occupy. Recently completed projects include buildings that are highly energy-efficient, easily maintained, and environmentally beneficial. Careful integration of landscaped spaces, private outdoor living spaces, and interior building spaces with access requirements are also a result of his design.

Iric has been involved in a wide range of housing, community service, and mixed-use projects in the Boston area, ranging from the design of a nine-building residential development and new community centers for Boston neighborhoods to the extensive renovation of woodframe, concrete panel, and masonry housing developments. His commercial work has ranged from small retail stores to corporate headquarters and laboratories for biotech companies. For many of his projects, he has sought new aesthetic expressions to reflect the ambitious programs of his clients.

Iric is on the Board of Directors at Mostue & Associates, and is a member of the American Institute of Architects and the Boston Society of Architects. He has been a guest design critic at the Boston Architectural Center and Harvard University.

MOSTUE & ASSOCIATES



ARCHITECTS, INC.

Winn

CORPORATE PROFILE

Winn Development Company/ Winn Management Company

The Winn Organization

From its beginnings in 1971 with the development of a 250-unit apartment building, Winn has grown into a nationally recognized owner, developer, and manager of real estate. With headquarters in Boston's historic Faneuil Hall Marketplace, and regional offices in Washington, D.C., and Richmond, Virginia, Winn's portfolio of properties extends from New England to Georgia and Alabama in the Sunbelt.

In an increasingly complex environment of economic, social, tax, and regulatory conditions, Winn has excelled in large and small scale development and management operations in urban and suburban settings, from spearheading redevelopment in the inner city to delivering quality housing to small town America. Winn has adapted readily to the ever changing climate in the real estate marketplace by diversifying into a variety of property investment vehicles, including hotel, office, commercial, and multi-family properties.

The Winn organization has demonstrated a consistently sound approach to real estate in its long-term commitment to property investments, evidenced by the superior level of property maintenance throughout the portfolio and by an unblemished record of dealings with its bankers and lenders.

Winn Development Company

Winn has developed over 45 projects in ten states with a value in excess of 500 million dollars. Included in the portfolio are garden apartments, hi-rise apartments, office buildings, retail, restaurant, and ancillary parking garage facilities. Winn enjoys a national reputation for sensitive renovation and adaptive re-use of historic buildings, with numerous properties listed on the National Register of Historic Places. The Company's first hotel project, the Bostonian Hotel at Faneuil Hall Marketplace, is an internationally recognized luxury hotel.

Examples of commercial and office development now in successful operation are One Brookline Place, a 30 million dollar development combining old and new construction in Brookline, Massachusetts, and featuring and mixed use development of medical office and retail activity; and Arsenal Place, a skilled and thoughtful rehabilitation of a historic structure into prime office space in Columbus, Georgia.

In recent years, Winn has focused efforts on acquiring troubled properties and updating them to overcome difficult market conditions. By using innovative government subsidy mechanisms and implementing superior management practices, these ventures are nurtured to successful operation.

Arthur M. Winn is the majority general partner in this series of past and ongoing property developments. Mr. Winn, who holds an MBA from Harvard University, has been active in the real estate development business since 1970.

Winn Management Company

Winn Management Company is Managing Agent for properties created by Winn Development Company and for properties outside the Winn Development portfolio. Winn Management Company employs over 600 persons (including on-site and regional offices) and manages in excess of 17,000 apartments and condominiums in more than 120 locations.

Management personnel provide the level of know-how necessary to keep up with the changing requirements of Winn Development staff and regularly interact with them to generate the most readily marketable, economically viable, and physically sound approach in the marketplace.

The Company has developed a sophisticated marketing program which operates in accordance with Affirmative Fair Housing Laws. Winn's Marketing Department provides the expertise to help achieve optimal occupancy levels in the competitive marketplace. Attractive and effective brochures and other promotional materials serve to heighten the appeal of new properties as they come on the market. Marketing personnel are intimately involved in the design components of new ventures, from the selection of appealing color schemes for public areas to the furnishing of model apartments.

Winn managers are responsible for the implementation of budgets, staffing, annual audits and the collection and distribution of revenue of over 100 million dollars per year. The Company also manages 70 million dollars of partner equity from various syndications and joint ventures.

Winn Headquarters

Winn Development Company
Winn Management Company
6 Faneuil Hall Marketplace
Boston, MA 02109-1620
(617) 742-4500
(617) 742-0725 Facsimile

Regional Offices

Winn Development Company
1101 30th Street, N.W., 4th Floor
Washington, DC 20007-3708
(202)833-3200
(202)883-1031 Facsimile

Winn Management Company
2400 Burton Street, Suite 101
Richmond, Virginia 23223-6466
(804)344-3262
(804)648-5423 Facsimile

Winn Management Company
484 Tremont Street
Boston, Massachusetts 02116
(617) 426-1175
(617) 426-0992 Facsimile

Towne School Apartments

Financing Plans

Section 3 SOURCES AND USES OF FUNDS

Sources of Funds

Private Equity:

81 . Developer's Cash Equity	
82 . Tax Credit Equity (net amount) <small>(See line 360, Section 5, page 18.)</small>	\$2,000,000
83 . Developer's Fee/Overhead, Contributed or Loaned	\$125,000
84 . Other Source: Energy Rebate	\$21,000

Optional user calculations

Public Equity:

85 . HOME Funds, as Grant	
86 . Grant	\$
87 . Grant	\$
88 . Total Public Equity	\$0

Subordinate Debt (see definition):

	Amount	Rate	Amortiz.	Term
89 . Home Funds-DHCD, as Subordinate Debt	\$750,000	%	yr.	yr.
Source: DHCD: HSF or HOME				
90 . Home Funds-Local, as Subordinate Debt	\$0	%	yr.	yr.
Source:				
91 . Subordinate Debt	\$0	%	yr.	yr.
Source: Mass AHF or CDBG: CDF II				
92 . Subordinate Debt	\$457,000	%	yr.	yr.
Source: CPA				
93 . Subordinate Debt	\$0	%	yr.	yr.
Source:				
94 . Total Subordinate Debt	\$1,207,000			

Permanent Debt (Senior):

	Amount	Rate	Override	Amortiz.	Term	MIP	
95 . MHFA	MHFA Program 1	\$	%	%	yr.	yr.	%
96 . MHFA	MHFA Program 2	\$	%	%	yr.	yr.	%
97 . MHP Fund Permanent Loan		\$	%				
98 . Other Permanent Senior Mortgage		\$1,029,000	7.50%	30.00	20.00	%	
Source:							
99 . Other Permanent Senior Mortgage		\$	%			%	
Source:							
100 . Total Permanent Senior Debt	\$1,029,000						
101 . Total Permanent Sources	\$4,382,000						

Construction Period Financing:

	Amount	Rate	Term
102 . Construction Loan	\$0	%	mos.
Source:			
Repaid at: (event)			
103 . Other Interim Loan	\$0	%	mos.
Source:			
Repaid at: (event)			
104 . Syndication Bridge Loan	\$0	%	mos.
Source:			
Repaid at: (event)			

Section 3. Sources and Uses of Funds

Uses of Funds

The Contractor certifies that, to the best of their knowledge, the construction estimates, and trade-item breakdowns on this page are complete and accurate.

Direct Construction:

105. Who prepared the estimates?

Name

Signature

106. Basis for estimates?

DV	Trade Item	Amount	Description
107	3		Concrete
108	4		Masonry
109	5		Metals
110	6		Rough Carpentry
111	6		Finish Carpentry
112	7		Waterproofing
113	7		Insulation
114	7		Roofing
115	7		Sheet Metal and Flashing
116	7		Exterior Siding
117	8		Doors
118	8		Windows
119	8		Glass
120	9		Lath & Plaster
121	9		Drywall
122	9		Tile Work
123	9		Acoustical
124	9		Wood Flooring
125	9		Resilient Flooring
126	9		Carpet
127	9		Paint & Decorating
128	10		Specialties
129	11		Special Equipment
130	11		Cabinets
131	11		Appliances
132	12		Blinds & Shades
133	13		Modular/Manufactured
134	13		Special Construction
135	14		Elevators or Conveying Syst.
136	15		Plumbing & Hot Water
137	15		Heat & Ventilation
138	15		Air Conditioning
139	15		Fire Protection
140	16		Electrical
141			Accessory Buildings
142			Other/misc
143		\$0	Subtotal Structural
144	2		Earth Work
145	2		Site Utilities
146	2		Roads & Walks
147	2		Site Improvement
148	2		Lawns & Planting
149	2		Geotechnical Conditions
150	2		Environmental Remediation
151	2		Demolition
152	2		Unusual Site Cond
153		\$0	Subtotal Site Work
154		\$0	Total Improvements
155	1	\$0	General Conditions
156		\$0	Subtotal
157	1	\$0	Builders Overhead
158	1	\$2,758,336	Builders Profit
159		\$2,758,336	TOTAL

160 Total Cost/square foot:

Residential Cost/s.f.:

Section 3. Sources and Uses of Funds

Development Budget:

	Total	Residential	Commercial	Comments
161 . Acquisition: Land	\$0	\$0		
162 . Acquisition: Building	\$0	\$0		
163 . Acquisition Subtotal	\$0	\$0	\$0	
164 . Direct Construction Budget	\$2,758,336	\$2,758,336		(from line 159)
165 . Construction Contingency	\$413,750	\$413,750		15.0% of construction
166 . Subtotal: Construction	\$3,172,086	\$3,172,086	\$0	

General Development Costs:

167 . Architecture & Engineering	\$222,046	\$222,046		
168 . Survey and Permits	\$10,000	\$10,000		
169 . Clerk of the Works	\$72,800	\$72,800		
170 . Environmental Engineer	\$10,000	\$10,000		
171 . Bond Premium	\$0	\$0		
172 . Legal	\$133,000	\$133,000		
173 . Title and Recording	\$12,000	\$12,000		
174 . Accounting & Cost Cert.	\$20,000	\$20,000		
175 . Marketing and Rent Up	\$10,000	\$10,000		
176 . Real Estate Taxes	\$10,000	\$10,000		
177 . Insurance	\$20,000	\$20,000		
178 . Relocation	\$0	\$0		
179 . Appraisal	\$13,000	\$13,000		
180 . Security	\$7,500	\$7,500		
181 . Construction Loan Interest	\$65,000	\$65,000		
182 . Inspecting Engineer	\$10,000	\$10,000		
183 . Fees to:	\$26,000	\$26,000		
184 . Fees to: HistoricNPS	\$2,500	\$2,500		
185 . MIP	\$0	\$0		
186 . Credit Enhancement Fees	\$0	\$0		
187 . Letter of Credit Fees	\$0	\$0		
188 . Other Financing Fees	\$0	\$0		
189 . Development Consultant	\$40,000	\$40,000		
190 . Other: Holding Cost	\$50,000	\$50,000		
191 . Other: HistoricConst	\$20,000	\$20,000		
192 . Soft Cost Contingency	\$37,692	\$37,692		5.0% of soft costs
193 . Subtotal: Gen. Dev.	\$791,538	\$791,538	\$0	

194 . Subtotal: Acquis., Const. and Gen. Dev.	\$3,963,625	\$3,963,625	\$0
---	-------------	-------------	-----

195 . Capitalized Reserves	\$68,265	\$68,265	
196 . Developer Overhead	\$175,000	\$175,000	
197 . Developer Fee	\$175,000	\$175,000	

198 . Total Development Costs	\$4,381,890	\$4,381,890	\$0	TDC per unit	\$243,438
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199 . TDC, Net	\$4,188,625	\$4,188,625	\$0	TDC, Net per unit	\$232,701
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Section 4 OPERATING PRO-FORMA

		Operating Income		
Rent Schedule:		Contract Rent	Utility Allowance	Total Gross Rent
				No. of Units
222	Low-Income (Rental Assisted):			\$0
	SRO			\$0
	0 bedroom			\$1,074
	1 bedroom	\$1,074		\$1,343
	2 bedrooms	\$1,343		\$1,680
	3 bedrooms	\$1,680		\$0
	4 bedrooms			\$0
223	Low-Income (below 50%):			\$0
	SRO			\$0
	0 bedroom			\$0
	1 bedroom			\$0
	2 bedrooms			\$0
	3 bedrooms			\$0
	4 bedrooms			\$0
224	Low-Income (below 60%):			\$0
	SRO			\$0
	0 bedroom			\$818
	1 bedroom	\$818		\$981
	2 bedrooms	\$981		\$1,134
	3 bedrooms	\$1,134		\$0
	4 bedrooms			\$0
225	Other Income 80%			\$0
	SRO			\$0
	0 bedroom			\$0
	1 bedroom			\$0
	2 bedrooms			\$0
	3 bedrooms			\$0
	4 bedrooms			\$0
226	Market Rate (unrestricted occupancy):			\$0
	SRO			\$0
	0 bedroom			\$945
	1 bedroom	\$945		\$1,174
	2 bedrooms	\$1,174		
	3 bedrooms			
	4 bedrooms			
227	Commercial Income:		(average)	
	Square Feet:	0	@	/square foot =
				\$0
228	Parking Income:		(average)	
	Spaces:	33	@	/month x 12 =
				\$0

Section 4. Operating Pro-Forma

Operating Expenses

Annual Operating Exp.:	Total	Residential	Commercial	Comments
250 . Management Fee	\$0	\$0		
251 . Payroll, Administrative	\$0			
252 . Payroll Taxes & Benefits, Admin.	\$0			
253 . Legal	\$0			
254 . Audit	\$0			
255 . Marketing	\$0			
256 . Telephone	\$0			
257 . Office Supplies	\$0			
258 . Accounting & Data Processing	\$0			
259 . Investor Servicing	\$0			
260 . DHCD Monitoring Fee	\$0			
261 . Other:	\$0			
262 . Other:	\$40,518	\$40,518		
263 . Subtotal: Administrative	\$40,518	\$40,518	\$0	
264 . Payroll, Maintenance	\$0			
265 . Payroll Taxes & Benefits, Admin.	\$0			
266 . Janitorial Materials	\$0			
267 . Landscaping	\$0			
268 . Decorating (inter. only)	\$0			
269 . Repairs (inter. & ext.)	\$0			
270 . Elevator Maintenance	\$0			
271 . Trash Removal	\$0			
272 . Snow Removal	\$0			
273 . Extermination	\$0			
274 . Recreation	\$0			
275 . Other:	\$39,240	\$39,240		
276 . Subtotal: Maintenance	\$39,240	\$39,240	\$0	
277 . Resident Services	\$0			
278 . Security	\$0			
279 . Electricity	\$1,435	\$1,435		
280 . Natural Gas	\$17,561	\$17,561		
281 . Oil	\$0			
282 . Water & Sewer	\$14,000	\$14,000		
283 . Subtotal: Utilities	\$32,996	\$32,996	\$0	
284 . Replacement Reserve	\$6,480	\$6,480		
285 . Operating Reserve	\$0			
286 . Real Estate Taxes	\$10,998	\$10,998		
287 . Other Taxes	\$0			
288 . Insurance	\$9,000	\$9,000		
289 . MIP	\$0	\$0		
290 . Other:	\$0			
291 . Subtotal: Taxes, Insurance	\$19,998	\$19,998	\$0	
292 . TOTAL EXPENSES	\$139,232	\$139,232	\$0	

Section 4. Operating Pro-Forms

Other Operating Expense Assumptions

Treading Assumptions for Expenses

	Year 2	Year 3	Years 4-5	Years 6-20
293 . Sewer & Water	4.0%	4.0%	4.0%	4.0%
294 . Real Estate Taxes	2.5%	2.5%	2.5%	2.5%
295 . All Other Operating Expenses	4.0%	4.0%	4.0%	4.0%

Reserve Requirements:

296 . Replacement Reserve Requirement	\$360.00	per unit per year
297 . Operating Reserve Requirement		per unit per year

Debt Service:

		Annual Payment
298 . MHFA	MHFA Program 1	N/A
299 . MHFA	MHFA Program 2	N/A
300 . MHP Fund Permanent Loan		N/A
301 . Other Permanent Senior Mortgage		\$86,339
	Source: N/A	
302 . Other Permanent Senior Mortgage		N/A
	Source: N/A	
303 . Total Debt Service (Annual)		\$86,339
304 . Net Operating Income	\$95,008	(in year one)
305 . Debt Service Coverage	1.10	(in year one)

Affordability: Income Limits and Maximum Allowable Rents

306 . County Middlesex MSA Boston, MA-NH

This MSA does not match the county you have chosen

307 . Maximum Allowed Rents, by Income, by Unit Size: Income Limits last updated on 07/24/2003

These numbers are estimated numbers. Please compare with HUD numbers and change if necessary. The HUD numbers can be obtained at www.boston.gov/datasets/rl.html

	Maximum Income			Maximum Rent (calculated from HUD income data)		
	50%	60%	80%	50%	60%	80%
SRO	\$28,300	\$33,950	\$45,250	\$708	\$849	\$1,131
0 bedroom	\$28,300	\$33,950	\$45,250	\$708	\$849	\$1,131
1 bedroom	\$30,300	\$36,350	\$48,500	\$758	\$909	\$1,213
2 bedrooms	\$36,350	\$43,650	\$58,200	\$909	\$1,091	\$1,455
3 bedrooms	\$42,000	\$50,400	\$67,250	\$1,050	\$1,260	\$1,681
4 bedrooms	\$46,850	\$56,250	\$75,000	\$1,171	\$1,406	\$1,875
Area median income for a family of	\$80,800					

308 . H.U.D. "Fair Market Rents" (Maximum):

0 bedroom	\$953
1 bedroom	\$1,074
2 bedrooms	\$1,343
3 bedrooms	\$1,680
4 bedrooms	\$1,972
5 bedrooms	\$2,268

FMR Information last updated on 07/24/2003

Section 5 LOW INCOME HOUSING TAX CREDITS

Percent of Project Which Qualifies for Tax Credit

332 . Low-Income Units	12		Total Units:	18
333 . Percent of Units	66.7%			
334 . Low-Income Square Foot	11,245	s.f.	Total Area:	16,348
335 . Percent of Area	68.8%			s.f.
336 . Applicable Percentage	66.7%	<i>(This is the lower of lines 333 and 335 above.)</i>		
337 . Is the project utilizing tax-exempt financing?	No			
338 . Does the project qualify for an acquisition credit?	No			
339 . Does the rehabilitation qualify for a 9% rather than 4% credit?	Yes			
340 . How much financing is nonqualified (federally subsidized?)	\$			
341 . What grant funds must be subtracted from acquisition basis?	\$			
342 . What grant funds must be subtracted from rehabilitation basis?				
343 . Will the project have a minimum of 20% of units for households earning less than 50% of median, or 40% for less than 60% of median?	20% Of Units			

Historic Tax Credit:

344 . Does the project qualify for historic tax credits?	Yes
345 . What are the rehabilitation costs which are not qualified for historic credits?	\$100,000

Project Qualification for 130%:

346 . Is the project located in a "qualified census tract" or in a "difficult to develop" area?	Yes
---	-----

Calculation of Maximum Tax Credit Amount

	Acquisition Credit	Rehabilitation Credit
347 . Total Eligible Development Costs	\$100,000	\$4,015,655
348 . Less: Portion of Grants Allocated to Basis	\$0	\$0
349 . Less: 20% Historic Rehab Credit Basis Reduction	\$0	\$783,131
350 . Less: Nonqualified source of financing	\$0	\$0
351 . Subtotal: Eligible Basis	\$100,000	\$3,232,524
352 . "Hard to develop" area	100%	130%
353 . Percent Low-Income	66.7%	66.7%
354 . Applicable Rate	3.66%	5.78%
355 . Maximum Annual Tax Credit Amount	\$0	\$162,009
356 . Total Annual Tax Credit Amount		\$162,009
357 . Estimated Net LIHTC Syndication Yield	\$ 0.84 rate per \$	\$1,360,874
358 . Est. Net Historic Tax Credit Syndication Yield	\$ 0.84 rate per \$	\$657,830
359 . Total Estimated Net Tax Credit Syndication Yield (based on above)		\$2,018,704
360 . Applicant's Estimate of Net Tax Credit Equity.		\$2,000,000 <i>(from line 82)</i>

[Note: This page represents a rough estimate of low income credits for which this project may be eligible. It does not represent a final determination.]

Part 5. Low Income Housing Tax Credits

	Total Residential	Percentage of Costs Not in Depreciable Basis	Acquisition Credit Basis	Rehabilitation Credit Basis	Not In Basis
51. Acquisition: Land	\$0		\$0	\$0	\$0
52. Acquisition: Building	\$0		\$0	\$0	\$0
53. Acquisition Subtotal	\$0		\$0	\$0	\$0
64. Direct Construction Budget	\$2,758,336		\$100,000	\$2,658,336	
65. Construction Contingency	\$413,750		\$0	\$413,750	
66. Subtotal: Construction	\$3,172,086		\$100,000	\$3,072,086	\$0
General Development Costs:					
367. Architecture & Engineering	\$222,046	0%		\$222,046	\$0
368. Survey and Permits	\$10,000	0%		\$10,000	\$0
369. Clerk of the Works	\$72,800	0%		\$72,800	\$0
370. Environmental Engineer	\$10,000	0%		\$10,000	\$0
371. Bond Premium	\$0	0%		\$0	\$0
372. Legal*	\$133,000	53%	\$0	\$62,510	\$70,490
373. Title and Recording	\$12,000	83%	\$0	\$2,040	\$2,960
374. Accounting & Cost Certificat.	\$20,000	0%	\$0	\$20,000	\$0
375. Marketing and Rent Up*	\$10,000	100%			\$10,000
376. Real Estate Taxes*	\$10,000	50%	\$0	\$5,000	\$5,000
377. Insurance	\$20,000	50%	\$0	\$10,000	\$10,000
378. Relocation	\$0	0%	\$0	\$0	\$0
379. Appraisal	\$13,000	0%	\$0	\$13,000	\$0
380. Security	\$7,500	0%	\$0	\$7,500	\$0
381. Construction Loan Interest*	\$65,000	50%	\$0	\$32,500	\$32,500
382. Inspecting Engineer	\$10,000	0%	\$0	\$10,000	\$0
383. Financing Fees*	\$26,000	0%	\$0	\$5,980	\$20,020
384. Financing Fees* HistoricNPS	\$2,500	0%	\$0	\$2,500	\$0
385. MIP	\$0	0%	\$0	\$0	\$0
386. Credit Enhancement Fees	\$0	0%	\$0	\$0	\$0
387. Letter of Credit Fees*	\$0	0%	\$0	\$0	\$0
388. Other Financing Fees*	\$0	0%	\$0	\$0	\$0
389. Development Consultant	\$40,000	100%	\$0	\$0	\$40,000
390. Other* Holding Costs	\$50,000	0%	\$0	\$50,000	\$0
391. Other* HistoricCons	\$20,000	0%	\$0	\$20,000	\$0
392. Soft Cost Contingency*	\$37,692	0%	\$0	\$37,692	\$0
393. Subtotal: Gen. Dev.	\$791,538		\$0	\$593,568	\$197,970
394. Subtotal: Acquia, Const., and Gen. Dev.	\$3,963,625		\$100,000	\$3,665,655	\$197,970
395. Developer Overhead	\$175,000		\$0	\$175,000	\$0
396. Developer Fee/Profit	\$175,000		\$0	\$175,000	\$0
397. Capitalized Reserves	\$68,265		\$0	\$0	\$68,265
398. Total Development Cost	\$4,381,890				
399. Total Net Development Cost	\$4,188,625				
400. Total Eligible Tax Credit Basis	\$4,115,655		\$100,000	\$4,015,655	

* Some or all of these costs will typically be allocated to intangible assets or expensed.

Project Summary Information

NOTE: Do not fill out this section. It is automatically filled in by program.

Project Name	Towne School Building Adaptive Reuse
Developer	Homeowner's Rehab, Inc.
Community	Acton

Number of Units 18

SRO	0	Low-Income, Rental Assisted	5
0 bedroom	0	Low-Income, Below 50%	0
1 bedroom	7	Low-Income, Below 60%	7
2 bedrooms	8	Other Income 80%	0
3 bedrooms	3	Market Rate	6
4 bedrooms	0		

This is an application for:

DHCD Tax Credit Allocation	Yes
HOME Funding through DHCD	Yes
MHFA Official Action Status	No
MHFA Construction Financing	No
MHFA Permanent Financing	No
MHP Fund Financing	No
MHIC Construction Loan	No
MHIC Tax Credit Equity	No
Boston: DND	No
Other	N/A
Other	N/A
Other	N/A
Financing from Massdevelopment	No

Sources of Funds:

Developer's Equity	\$146,000
Tax Credit Equity	\$2,000,000
Public Equity	\$0
Subordinate Debt	\$1,207,000
Permanent Debt	\$1,029,000
Total All Sources	\$4,382,000

Uses Exceed Sources by (\$110)

Uses of Funds:

Acquisition	\$0
Construction	\$3,172,086
General Development	\$791,538
Developer Overhead	\$175,000
Developer Fee	\$175,000
Capitalized Reserves	\$68,265
Total All Uses	\$4,381,890

Rent Levels:

Low-Income, Rental Assisted	\$1,424
Low-Income, Below 50%	N/A
Low-Income, Below 60%	\$933
Other Income 80%	N/A
Market Rate	\$1,060
Average, All Units	\$1,112

BR (aver.)

2.2
N/A
1.7
N/A
1.5
1.8

SF (aver.)

999
N/A
893
N/A
851
908

Annual Operating Income (year 1):

Gross rental income (residential)	\$240,100
Vacancy (resid.) 4.00%	\$9,604
Other Income (net of vacancies)	\$3,744
Subtotal	\$234,240
Operating Subsidies	\$0
Draw on Operating Reserves	\$0
Total Annual Income	\$234,240
Net Operating Income	\$95,008
Debt Service	\$86,339
Debt Service Coverage	1.10

Annual Operating Expense (year 1):

Management Fee	\$0
Administrative	\$40,518
Maintenance	\$39,240
Res. Service, Security	\$0
Utilities	\$32,996
Repl. Reserve	\$6,480
Oper. Reserve	\$0
Taxes, Insurance	\$19,998
Total	\$139,232
Total per Unit	\$7,735

ent Profile Analysis

NOTE: Do not fill out this section. It is automatically filled in by program.

	Units	Contract Rent	Size of Unit	No. of Bathrooms	Gross Rent/ Maximum	Rent per square foot
w-Income (Rental Assisted):						
SRO	0	N/A	N/A	N/A	N/A	N/A
0 bedroom	0	N/A	N/A	N/A	N/A	N/A
1 bedroom	1	\$1,074	701	1	100.0%	\$1.53
2 bedrooms	2	\$1,343	1,000	1	100.0%	\$1.34
3 bedrooms	2	\$1,680	1,147	1	100.0%	\$1.46
4 bedrooms	0	N/A	N/A	N/A	N/A	N/A

w-Income (below 50%):						
SRO	0	N/A	N/A	N/A	N/A	N/A
0 bedroom	0	N/A	N/A	N/A	N/A	N/A
1 bedroom	0	N/A	N/A	N/A	N/A	N/A
2 bedrooms	0	N/A	N/A	N/A	N/A	N/A
3 bedrooms	0	N/A	N/A	N/A	N/A	N/A
4 bedrooms	0	N/A	N/A	N/A	N/A	N/A

w-Income (below 60%):						
SRO	0	N/A	N/A	N/A	N/A	N/A
0 bedroom	0	N/A	N/A	N/A	N/A	N/A
1 bedroom	3	\$818	701	1	90.0%	\$1.17
2 bedrooms	3	\$981	1,000	1	89.9%	\$0.98
3 bedrooms	1	\$1,134	1,147	1	90.0%	\$0.99
4 bedrooms	0	N/A	N/A	N/A	N/A	N/A

	Below 80% of the median income for the region					
Other Income 80%						
SRO	0	N/A	N/A	N/A	N/A	N/A
0 bedroom	0	N/A	N/A	N/A	N/A	N/A
1 bedroom	0	N/A	N/A	N/A	N/A	N/A
2 bedrooms	0	N/A	N/A	N/A	N/A	N/A
3 bedrooms	0	N/A	N/A	N/A	N/A	N/A
4 bedrooms	0	N/A	N/A	N/A	N/A	N/A

Market Rate (unrestricted occupancy):						
SRO	0	N/A	N/A	N/A		N/A
0 bedroom	0	N/A	N/A	N/A		N/A
1 bedroom	3	\$945	701	1		\$1.35
2 bedrooms	3	\$1,174	1,000	1		\$1.17
3 bedrooms	0	N/A	N/A	N/A		N/A
4 bedrooms	0	N/A	N/A	N/A		N/A

-Year Operating Proforma (Years 1-5)

E: Do not fill out this section. It is automatically filled in by program.

Calendar Year:	Year 1 N/A	Year 2 N/A	Year 3 N/A	Year 4 N/A	Year 5 N/A
INCOME:					
Low-Income, Rental Assisted	\$85,440	\$87,149	\$88,892	\$91,559	\$94,305
Low-Income, Below 50%	0	0	0	0	0
Low-Income, Below 60%	78,376	79,943	81,542	83,988	86,508
Other Income 80%	0	0	0	0	0
Market Rate	76,284	77,810	79,366	81,747	84,199
Gross Potential Income	240,100	244,902	249,800	257,294	265,012
Less vacancy	9,604	9,796	9,992	10,292	10,600
Effective Gross Residential Income	230,496	235,106	239,808	247,002	254,412
Commercial (includes parking)	0	0	0	0	0
Less vacancy	0	0	0	0	0
Net Commercial Income	0	0	0	0	0
Effective Rental Income	230,496	235,106	239,808	247,002	254,412
Other Income: Laundry	3,744	3,894	4,050	4,211	4,380
Other Income:	0	0	0	0	0
Other Income:	0	0	0	0	0
Other Income:	0	0	0	0	0
Other Income:	0	0	0	0	0
Other Income:	0	0	0	0	0
Other Income:	0	0	0	0	0
Total Gross Income	234,240	238,999	243,857	251,213	258,792
Operating Subsidies	0	0	0	0	0
Draw on Operating Reserves	0	610	1,368	0	0
Total Effective Income	\$234,240	\$239,609	\$245,225	\$251,213	\$258,792
EXPENSES:					
Management Fee	0	0	0	0	0
Administrative	40,518	42,139	43,824	45,577	47,400
Maintenance	39,240	40,810	42,442	44,140	45,905
Resident Services	0	0	0	0	0
Security	0	0	0	0	0
Electrical	1,435	1,492	1,552	1,614	1,679
Natural Gas	17,561	18,263	18,994	19,754	20,544
Oil (heat)	0	0	0	0	0
Water & Sewer	14,000	14,560	15,142	15,748	16,378
Replacement Reserve	6,480	6,739	7,009	7,289	7,581
Operating Reserve	0	0	0	0	0
Real Estate Taxes	10,998	11,273	11,555	11,844	12,140
Other Taxes	0	0	0	0	0
Insurance	9,000	9,360	9,734	10,124	10,529
MIP	0	0	0	0	0
Other:	0	0	0	0	0
Total Operating Expenses	\$139,232	\$144,636	\$150,253	\$156,089	\$162,155
NET OPERATING INCOME	\$95,008	\$94,973	\$94,972	\$95,124	\$96,636
Debt Service	\$86,339	\$86,339	\$86,339	\$86,339	\$86,339
Debt Service Coverage	1.10	1.10	1.10	1.10	1.12
Project Cash Flow	\$8,669	\$8,634	\$8,633	\$8,785	\$10,297
Required Debt Coverage	\$94,973	\$94,973	\$94,973	\$94,973	\$94,973
(Gap)/Surplus for Cov.	\$35	\$0	(\$0)	\$151	\$1,664

1-Year Operating Proforma (Years 6-10)

NOTE: Do not fill out this section. It is automatically filled in by program.

Calendar Year:	Year 6 N/A	Year 7 N/A	Year 8 N/A	Year 9 N/A	Year 10 N/A
INCOME:					
Low-Income, Rental Assisted	\$97,134	\$100,048	\$103,050	\$106,141	\$109,326
Low-Income, Below 50%	0	0	0	0	0
Low-Income, Below 60%	89,103	91,776	94,529	97,365	100,286
Other Income 80%	0	0	0	0	0
Market Rate	86,725	89,327	92,007	94,767	97,610
Gross Potential Income	272,963	281,152	289,586	298,274	307,222
Less vacancy	10,919	11,246	11,583	11,931	12,289
Effective Gross Residential Income	262,044	269,906	278,003	286,343	294,933
Commercial Income	0	0	0	0	0
Less vacancy	0	0	0	0	0
Net Commercial Income	0	0	0	0	0
Effective Rental Income	262,044	269,906	278,003	286,343	294,933
Laundry Income	4,555	4,737	4,927	5,124	5,329
Other Income:	0	0	0	0	0
Other Income:	0	0	0	0	0
Other Income:	0	0	0	0	0
Other Income:	0	0	0	0	0
Other Income:	0	0	0	0	0
Other Income:	0	0	0	0	0
Total Gross Income	266,599	274,643	282,930	291,467	300,262
Operating Subsidies	0	0	0	0	0
Draw on Operating Reserves	0	0	0	0	0
Total Effective Income	\$266,599	\$274,643	\$282,930	\$291,467	\$300,262
EXPENSES:					
Management Fee	0	0	0	0	0
Administrative	49,296	51,268	53,319	55,452	57,670
Maintenance	47,741	49,651	51,637	53,703	55,851
Resident Services	0	0	0	0	0
Security	0	0	0	0	0
Electrical	1,746	1,816	1,888	1,964	2,042
Natural Gas	21,366	22,220	23,109	24,033	24,995
Oil (heat)	0	0	0	0	0
Water & Sewer	17,033	17,714	18,423	19,160	19,926
Replacement Reserve	7,884	8,199	8,527	8,868	9,223
Operating Reserve	0	0	0	0	0
Real Estate Taxes	12,443	12,754	13,073	13,400	13,735
Other Taxes	0	0	0	0	0
Insurance	10,950	11,388	11,843	12,317	12,810
MIP	0	0	0	0	0
Other:	0	0	0	0	0
Total Operating Expenses	\$168,459	\$175,011	\$181,820	\$188,897	\$196,252
NET OPERATING INCOME	\$98,140	\$99,632	\$101,109	\$102,570	\$104,010
Debt Service	\$86,339	\$86,339	\$86,339	\$86,339	\$86,339
Debt Service Coverage	1.14	1.15	1.17	1.19	1.20
Project Cash Flow	\$11,801	\$13,293	\$14,770	\$16,231	\$17,671
Required Debt Coverage	\$94,973	\$94,973	\$94,973	\$94,973	\$94,973
(Gap)/Surplus for Cov.	\$3,167	\$4,659	\$6,136	\$7,597	\$9,037

1-Year Operating Proforma (Years 11-15)

OTE: Do not fill out this section. It is automatically filled in by program.

Calendar Year:	Year 11 N/A	Year 12 N/A	Year 13 N/A	Year 14 N/A	Year 15 N/A
INCOME:					
Low-Income, Rental Assisted	\$112,605	\$115,984	\$119,463	\$123,047	\$126,738
Low-Income, Below 50%	0	0	0	0	0
Low-Income, Below 60%	103,295	106,394	109,586	112,873	116,259
Other Income 80%	0	0	0	0	0
Market Rate	100,538	103,554	106,661	109,861	113,157
Gross Potential Income	316,439	325,932	335,710	345,781	356,155
Less vacancy	12,658	13,037	13,428	13,831	14,246
Effective Gross Residential Income	303,781	312,895	322,281	331,950	341,908
Commercial (includes parking)	0	0	0	0	0
Less vacancy	0	0	0	0	0
Net Commercial Income	0	0	0	0	0
Effective Rental Income	303,781	312,895	322,281	331,950	341,908
Other Income: Laundry	5,542	5,764	5,994	6,234	6,483
Other Income:	0	0	0	0	0
Other Income:	0	0	0	0	0
Other Income:	0	0	0	0	0
Other Income:	0	0	0	0	0
Other Income:	0	0	0	0	0
Other Income:	0	0	0	0	0
Total Gross Income	309,323	318,658	328,276	338,184	348,392
Operating Subsidies	0	0	0	0	0
Draw on Operating Reserves	0	0	0	0	0
Total Effective Income	\$309,323	\$318,658	\$328,276	\$338,184	\$348,392

EXPENSES:					
Management Fee	0	0	0	0	0
Administrative	59,977	62,376	64,871	67,465	70,164
Maintenance	58,085	60,408	62,825	65,337	67,951
Resident Services	0	0	0	0	0
Security	0	0	0	0	0
Electrical	2,124	2,209	2,297	2,389	2,485
Natural Gas	25,995	27,034	28,116	29,240	30,410
Oil (heat)	0	0	0	0	0
Water & Sewer	20,723	21,552	22,414	23,311	24,243
Replacement Reserve	9,592	9,976	10,375	10,790	11,221
Operating Reserve	0	0	0	0	0
Real Estate Taxes	14,078	14,430	14,791	15,161	15,540
Other Taxes	0	0	0	0	0
Insurance	13,322	13,855	14,409	14,986	15,585
MIP	0	0	0	0	0
Other:	0	0	0	0	0
Total Operating Expenses	\$203,896	\$211,841	\$220,098	\$228,680	\$237,600

NET OPERATING INCOME	\$105,427	\$106,818	\$108,178	\$109,504	\$110,792
Debt Service	\$86,339	\$86,339	\$86,339	\$86,339	\$86,339
Debt Service Coverage	1.22	1.24	1.25	1.27	1.28
Project Cash Flow	\$19,088	\$20,479	\$21,839	\$23,165	\$24,453
Required Debt Coverage	\$94,973	\$94,973	\$94,973	\$94,973	\$94,973
(Gap)/Surplus for Cov.	\$10,454	\$11,845	\$13,205	\$14,531	\$15,819

1-Year Operating Proforma (Years 16-21)

NOTE: Do not fill out this section. It is automatically filled in by program.

Calendar Year:	Year 16 N/A	Year 17 N/A	Year 18 N/A	Year 19 N/A	Year 20 N/A	Year 21 N/A
COME:						
rw-Income, Rent Ast'd.	\$130,541	\$134,457	\$138,490	\$142,645	\$146,925	\$151,332
rw-Income, Below 50%	0	0	0	0	0	0
rw-Income, Below 60%	119,747	123,340	127,040	130,851	134,776	138,820
Other Income 80%	0	0	0	0	0	0
Market Rate	116,551	120,048	123,649	127,359	131,180	135,115
Gross Potential Income	366,839	377,844	389,180	400,855	412,881	425,267
Less vacancy	14,674	15,114	15,567	16,034	16,515	17,011
ff. Gross Res. Income	352,166	362,731	373,612	384,821	396,365	408,256
Commercial Income	0	0	0	0	0	0
Less vacancy	0	0	0	0	0	0
Net Commercial Income	0	0	0	0	0	0
Effective Rental Income	352,166	362,731	373,612	384,821	396,365	408,256
Other Income: Laundry	6,743	7,012	7,293	7,585	7,888	8,204
Other	0	0	0	0	0	0
Other	0	0	0	0	0	0
Other	0	0	0	0	0	0
Other	0	0	0	0	0	0
Other	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total Gross Income	358,908	369,743	380,905	392,406	404,254	416,460
Operating Subsidies	0	0	0	0	0	0
Draw on Operating Res.	0	0	0	0	0	0
Total Effective Income	\$358,908	\$369,743	\$380,905	\$392,406	\$404,254	\$416,460
EXPENSES:						
Management Fee	0	0	0	0	0	0
Administrative	72,971	75,889	78,925	82,082	85,365	88,780
Maintenance	70,669	73,496	76,436	79,493	82,673	85,980
Resident Services	0	0	0	0	0	0
Security	0	0	0	0	0	0
Electrical	2,584	2,688	2,795	2,907	3,023	3,144
Natural Gas	31,626	32,891	34,207	35,575	36,998	38,478
Oil (heat)	0	0	0	0	0	0
Water & Sewer	25,213	26,222	27,271	28,361	29,496	30,676
Replacement Reserve	11,670	12,137	12,622	13,127	13,652	14,198
Operating Reserve	0	0	0	0	0	0
Real Estate Taxes	15,928	16,327	16,735	17,153	17,582	18,022
Other Taxes	0	0	0	0	0	0
Insurance	16,208	16,857	17,531	18,232	18,962	19,720
MIP	0	0	0	0	0	0
Other:	0	0	0	0	0	0
Total Operating Expenses	\$246,871	\$256,506	\$266,522	\$276,932	\$287,752	\$298,998
NET OPER. INC.	\$112,038	\$113,237	\$114,384	\$115,474	\$116,502	\$117,462
Debt Service	\$86,339	\$86,339	\$86,339	\$86,339	\$86,339	\$0
Debt Service Coverage	1.30	1.31	1.32	1.34	1.35	N/A
Project Cash Flow	\$25,699	\$26,898	\$28,045	\$29,135	\$30,163	\$117,462
Required Debt Coverage	\$94,973	\$94,973	\$94,973	\$94,973	\$94,973	\$0
(Gap)/Surplus for Cov.	\$17,065	\$18,264	\$19,411	\$20,501	\$21,529	\$117,462

Operating Expense Analysis

NOTE: Do not fill out this section. It is automatically filled in by program.

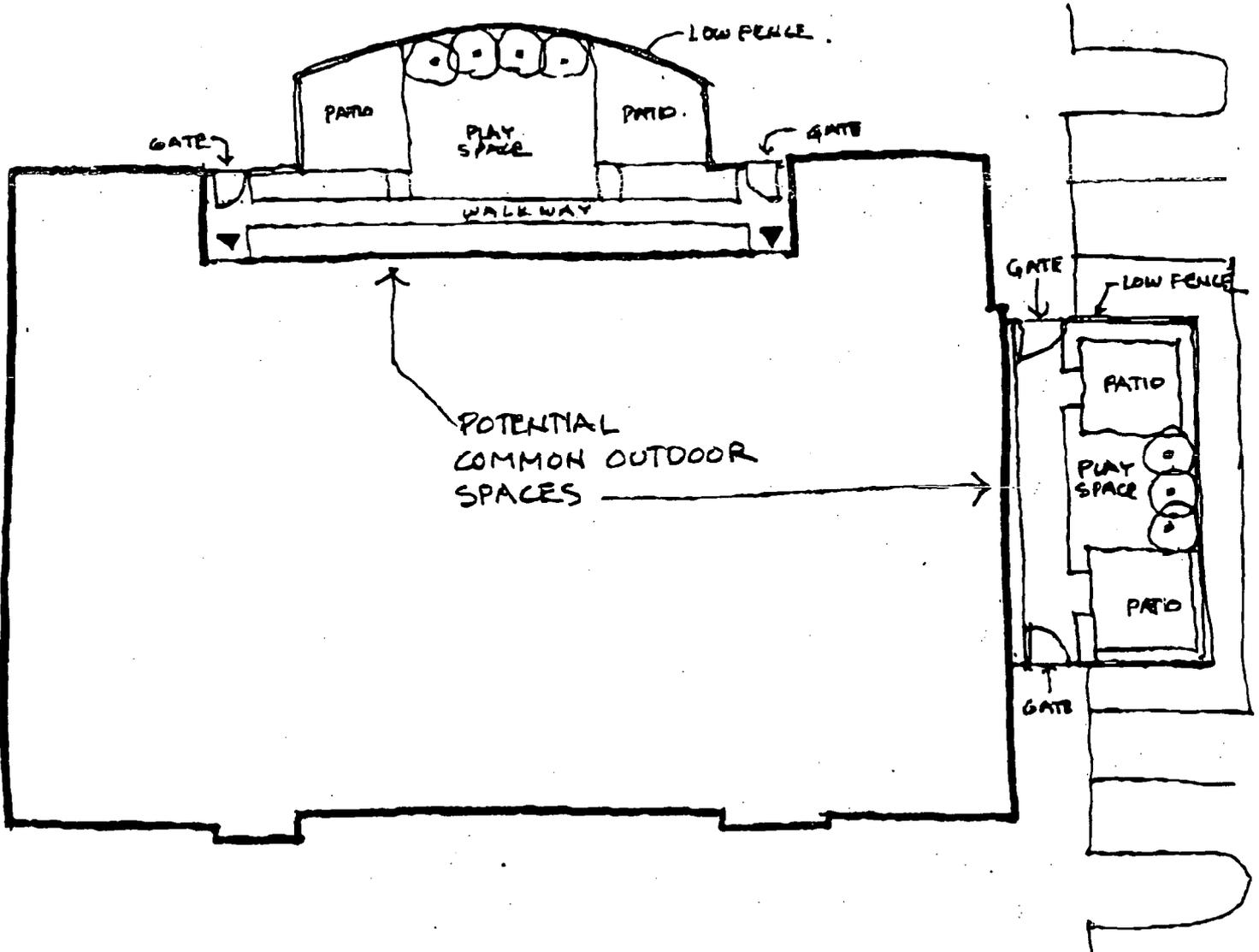
	Residential Total	Residential Per Unit	Residential Per S. F.	Commercial Total	Commercial Per S. F.
Management Fee	\$0	\$0.00	\$0.00	\$0	N/A
Payroll, Administrative	\$0	\$0.00	\$0.00	\$0	N/A
Payroll Taxes & Benefits, Admin.	\$0	\$0.00	\$0.00	\$0	N/A
Legal	\$0	\$0.00	\$0.00	\$0	N/A
Audit	\$0	\$0.00	\$0.00	\$0	N/A
Marketing	\$0	\$0.00	\$0.00	\$0	N/A
Telephone	\$0	\$0.00	\$0.00	\$0	N/A
Office Supplies	\$0	\$0.00	\$0.00	\$0	N/A
Accounting & Data Processing	\$0	\$0.00	\$0.00	\$0	N/A
Investor Servicing	\$0	\$0.00	\$0.00	\$0	N/A
DHCD Monitoring Fee	\$0	\$0.00	\$0.00	\$0	N/A
Other:	\$0	\$0.00	\$0.00	\$0	N/A
Other:	\$40,518	\$2,251.00	\$1.92	\$0	N/A
Subtotal: Administrative	\$40,518	\$2,251.00	\$1.92	\$0	N/A
Payroll, Maintenance	\$0	\$0.00	\$0.00	\$0	N/A
Payroll Taxes & Benefits, Admin.	\$0	\$0.00	\$0.00	\$0	N/A
Janitorial Materials	\$0	\$0.00	\$0.00	\$0	N/A
Landscaping	\$0	\$0.00	\$0.00	\$0	N/A
Decorating (inter. only)	\$0	\$0.00	\$0.00	\$0	N/A
Repairs (inter. & ext.)	\$0	\$0.00	\$0.00	\$0	N/A
Elevator Maintenance	\$0	\$0.00	\$0.00	\$0	N/A
Trash Removal	\$0	\$0.00	\$0.00	\$0	N/A
Snow Removal	\$0	\$0.00	\$0.00	\$0	N/A
Extermination	\$0	\$0.00	\$0.00	\$0	N/A
Recreation	\$0	\$0.00	\$0.00	\$0	N/A
Other:	\$39,240	\$2,180.00	\$1.86	\$0	N/A
Subtotal: Maintenance	\$39,240	\$2,180.00	\$1.86	\$0	N/A
Resident Services	\$0	\$0.00	\$0.00	\$0	N/A
Security	\$0	\$0.00	\$0.00	\$0	N/A
Electricity	\$1,435	\$79.72	\$0.07	\$0	N/A
Natural Gas	\$17,561	\$975.61	\$0.83	\$0	N/A
Oil	\$0	\$0.00	\$0.00	\$0	N/A
Water & Sewer	\$14,000	\$777.78	\$0.66	\$0	N/A
Subtotal: Utilities	\$32,996	\$1,833.11	\$1.57	\$0	N/A
Replacement Reserve	\$6,480	\$360.00	\$0.31	\$0	N/A
Operating Reserve	\$0	\$0.00	\$0.00	\$0	N/A
Real Estate Taxes	\$10,998	\$611.00	\$0.52	\$0	N/A
Other Taxes	\$0	\$0.00	\$0.00	\$0	N/A
Insurance	\$9,000	\$500.00	\$0.43	\$0	N/A
MIP	\$0	\$0.00	\$0.00	\$0	N/A
Other:	\$0	\$0.00	\$0.00	\$0	N/A
Subtotal: Taxes, Insurance	\$19,998	\$1,111.00	\$0.95	\$0	N/A
TOTAL EXPENSES	\$139,232	\$7,735.11	\$6.61	\$0	N/A

Development Cost Analysis

TE: Do not fill out this section. It is automatically filled in by program.

	Residential Total	Residential Per Unit	Residential Per S. F.	Commercial Total	Commercial Per S. F.
Acquisition: Land	\$0	\$0	\$0.00	\$0	N/A
Acquisition: Building	\$0	\$0	\$0.00	\$0	N/A
Acquisition Subtotal	\$0	\$0	\$0.00	\$0	N/A
Direct Construction Budget	\$2,758,336	\$153,241	\$131.00	\$0	N/A
Construction Contingency	\$413,750	\$22,986	\$19.65	\$0	N/A
Subtotal: Construction	\$3,172,086	\$176,227	\$150.65	\$0	N/A
General Development Costs:					
Architecture & Engineering	\$222,046	\$12,336	\$10.55	\$0	N/A
Survey and Permits	\$10,000	\$556	\$0.47	\$0	N/A
Clerk of the Works	\$72,800	\$4,044	\$3.46	\$0	N/A
Environmental Engineer	\$10,000	\$556	\$0.47	\$0	N/A
Bond Premium	\$0	\$0	\$0.00	\$0	N/A
Legal	\$133,000	\$7,389	\$6.32	\$0	N/A
Title and Recording	\$12,000	\$667	\$0.57	\$0	N/A
Accounting & Cost Certificat.	\$20,000	\$1,111	\$0.95	\$0	N/A
Marketing and Rent Up	\$10,000	\$556	\$0.47	\$0	N/A
Real Estate Taxes	\$10,000	\$556	\$0.47	\$0	N/A
Insurance	\$20,000	\$1,111	\$0.95	\$0	N/A
Relocation	\$0	\$0	\$0.00	\$0	N/A
Appraisal	\$13,000	\$722	\$0.62	\$0	N/A
Security	\$7,500	\$417	\$0.36	\$0	N/A
Construction Loan Interest	\$65,000	\$3,611	\$3.09	\$0	N/A
Inspecting Engineer	\$10,000	\$556	\$0.47	\$0	N/A
Fees to:	\$26,000	\$1,444	\$1.23	\$0	N/A
Fees to: HistoricNPS	\$2,500	\$139	\$0.12	\$0	N/A
MIP	\$0	\$0	\$0.00	\$0	N/A
Credit Enhancement Fees	\$0	\$0	\$0.00	\$0	N/A
Letter of Credit Fees	\$0	\$0	\$0.00	\$0	N/A
Other Financing Fees	\$0	\$0	\$0.00	\$0	N/A
Development Consultant	\$40,000	\$2,222	\$1.90	\$0	N/A
Other:	\$50,000	\$2,778	\$2.37	\$0	N/A
Other:	\$20,000	\$1,111	\$0.95	\$0	N/A
Soft Cost Contingency	\$37,692	\$2,094	\$1.79	\$0	N/A
Subtotal: Gen. Dev.	\$791,538	\$43,974	\$37.59	\$0	N/A
Subtotal: Acquis., Const., and Gen. Dev.	\$3,963,625	\$220,201	\$188.24	\$0	N/A
Capitalized Reserves	\$68,265	\$3,793	\$3.24	\$0	N/A
Developer Overhead	\$175,000	\$9,722	\$8.31	\$0	N/A
Developer Fee	\$175,000	\$9,722	\$8.31	\$0	N/A
Total Development Cost	\$4,381,890	\$243,438	\$208.11	\$0	N/A
Total Net* Development Cost	\$4,188,625	\$232,701	\$198.93	\$0	N/A

(*Does not include any capitalized reserves nor any developer's fees or overhead which are contributed or loaned to the project.)



MOBTUE & ASSOCIATES



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Job Name

Job No.

Sheet No.

TOWNE SCHOOL, ACTON 05

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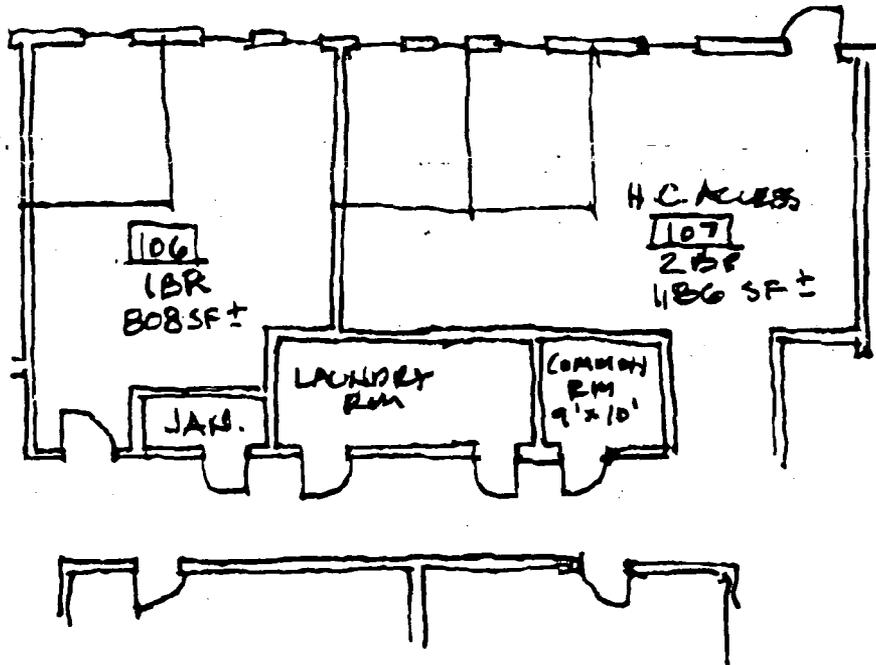
Title

POTENTIAL COMMON OUTDOOR SPACES

Scale

Date

TOTAL P.03



PARTIAL FIRST FLOOR PLAN
SHOWING PROPOSED COMMON ROOM.

MOSTUE & ASSOCIATES



ARCHITECTS INC.

240A Elm Street
Somerville, MA 02144
Tel: 617-628-3700
Fax: 617-628-1717
Email: info@mostue.com

Job Name

Job No.

Sheet No.

TOWNE SCHOOL, ACTON

PROPOSED 1ST FLOOR COMMON ROOM

Scale

1/16" = 1'-0"

Date

9.11.03

B.

Towne School Apartments
Implementation Schedule

TOWNE SCHOOL DEVELOPMENT ACTON, MA.	
PROJECT SCHEDULE	MONTH/YR
Developer Selection by Town	8/03
PRECONSTRUCTION PERIOD	
Refine program with Town	9/03
Existing conditions survey, Zoning Review	9/03
Finalize Lease Terms	11/03
Market Study	12/03-2/04
Apply for Public Financing	
Tax Credit (Scenario #1)	11/03-2/04
DHCD/ Home Funds	11/03-2/04
CDBG (Scenario #2)	9/03-1/04
CPA	12/03-2/04
Apply for Additional Financing	
Energy Rebates	12/03-2/04
Affordable Housing Trust Fund	6/04
Prepare Schematic Design	
Refine Schematic Design	11/03-2/04
Town meeting/Review Process	11/03-2/04
Unit Price Cost Estimates	11/03-2/04
Final Schematics	3/04
Prepare Design Development	
Prepare Design Development Documents	6/04-7/04
Town meeting/Review Process	6/04-7/04
Unit Price/Cost estimates	6/04-7/04
Final Design Development Documents	8/04
Secure Funding Commitments	
Secure Most State Funds (Tax Credit, HOME)	6/04
Secure MA Affordable Housing Trust	8/04
Lenders Issue Legal Documents	8/04
Secure Private Funding Commitments	
Secure First Mortgage Commitment	8/04
Lender Issues Legal Documents	8/04
Secure Equity Financing	
Public/Private/Equity	6/04-8/04
Construction Documents	
Complete Construction Documents	8/04-10/04
Town meeting/Review Process	8/04-10/04
Prepare Construction Bid Package	10/04
Select Contractor	11/04
Prepare for Construction Start	
Award Construction Contract	11/04
Execute Lease	12/04
Prepare for Closing	8/04-12/04
CONSTRUCTION START	
	1/05
Marketing	
	6/05-2/06
Rental Lease Up	
	11/05-2/06
CONSTRUCTION COMPLETION	
	1/06
OCCUPANCY	
	2/06

Acton Housing Authority

From: "Robert Whittlesey" <rbwhittlesey@earthlink.net>
To: "Dean Charter" <dcharter@acton-ma.gov>; "Don Johnson" <djohnson@acton-ma.gov>;
"Acton Community Housing Corporation" <ACHC@acton-ma.gov>
Sent: Friday, June 13, 2003 4:11 PM
Subject: RE: Towne Building time line

Hi Dean

Looks good. Can we give out the announcement and the packets starting June 20th. At some convenient time early next week I could come in and review the packet material. I assume the justification language got into the RFP.

Thanks again for expediting all the above.

-----Original Message-----

From: Dean Charter [mailto:dcharter@acton-ma.gov]
Sent: Friday, June 13, 2003 2:23 PM
To: Don Johnson; Acton Community Housing Corporation
Subject: Towne Building time line

I have faxed the legal notice into the Central Register, showing the following time line, which I worked out with Bob W., trying to fit this in around the Public Safety Facility, which is going out to bid in the same time frame. Dates are as follows:

June 20 - Packets are ready to be picked up

June 25 - first advertisement appears in the Central Register

June 26 - first advertisement appears in the Beacon

July 2 - second advertisement appears in the Central Register

July 3 - second advertisement appears in the Beacon

July 9 - third advertisement appears in the Central Register

July 11 - pre-registration deadline for site visit

July 14 - site visit begins at 10:00 AM at Towne Building

July 18 - deadline for requests for clarifications

August 4 - Proposals received and opened at Town Hall at 2:00 PM

Mon.

I will be around for the site visit, and have listed myself as the contact person. I will be in Canada on August 4, so someone else will have to receive and open the proposals. My original plan was to be present for the opening, but that would have pushed things off by a week, and we will need that time to review the proposals.

We cannot tighten up the time frame any more and still give proposers time to work on submittals. It is mandatory that we provide at least 30 days between the first advertisement and the proposal deadline.

We will need to determine who will be reviewing the proposals.

Any questions, please contact me.

Acton Housing Authority

From: "Don Johnson" <djohnson@town.acton.ma.us>
To: "Rita Farrell" <rfarrell@mhp.net>
Cc: "Bob Whittlesey" <rbwhittlesey@earthlink.net>; "Acton Community Housing Corporation" <ACHC@town.acton.ma.us>
Sent: Tuesday, May 13, 2003 12:55 PM
Subject: RE: long term leases and applicability of state statutes

Rita:

I would be interested in any information you develop. In the meantime, I am meeting with our attorneys later this week to complete our work on the RFP and the Draft Lease for the Towne Building. One of our discussion points relates to Prevailing Wage.

I will be advising everyone (hopefully that the status is "go") as soon as we get through these last items.

Regards,
Don

-----Original Message-----

From: Rita Farrell [mailto:rfarrell@mhp.net]
Sent: Monday, May 12, 2003 3:53 PM
To: Don Johnson
Cc: Bob Whittlesey
Subject: long term leases and applicability of state statutes

Hi Don - Alice suggested that I contact you to give you an update on the discussions that I have been having with staff from the Attorney General's and Inspector General's offices and the Department of Labor/Division of Occupational Safety. We have been attempting to get a definitive answer to whether state statutes governing public construction (Chapter 7, Chapter 149, prevailing wage) apply in the case where public land/property is being leased to a private entity for the construction of affordable housing.

While I have not yet received that definitive answer that I am looking for, every indication from my recent conversations point in the direction of non-applicability at least in the case of prevailing wages. Ron Maranian of the DOS office forwarded a ruling made by his office back in 1995 to Urban Edge Housing Corp. This case is similar to the model being used by a number of municipalities and housing authorities in the disposition of land and if you are interested let me know and I will fax you the ruling. Ron did strongly suggest that we encourage communities/housing authorities to make a formal request be made to his office re the applicability - have you in fact done this for the Towne School? If so, I would appreciate any response you have received from DOS.

I am also awaiting word from Jed Ruccio in the Attorney General's office regarding the applicability of public construction bidding. I hope to hear back from him by the end of this week and will let you know if and when I receive an answer from him.

FYI in all of our discussions we have been assuming a 99 year lease. Obviously Acton's situation is somewhat different because of the term of the lease, but I thought you would be interested nevertheless. Let me know if you are interested in the Urban Edge information.

ACTON COMMUNITY HOUSING CORPORATION COMMITTEE
P.O. BOX 681
ACTON, MA 01720
(978) 263-4776

June 4, 2003

Mr. Walter Foster
Chair, Acton Selectmen
Acton Town Hall
472 Main Street
Acton, MA 01720

Dear Mr. Foster:

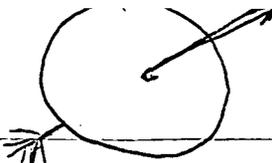
The Acton Community Housing Corporation Committee (ACHC) would like to invite a representative from the Acton Selectmen to attend our next Regular Meeting scheduled June 26, 2003 at 7:15 AM, room 126. The ACHC will be meeting with Jim Fenton and Mark O'Hagan to discuss Elsworth Place, a proposed 40B development to be built off of Brabrook Road. Although the ACHC has met previously with Mark O'Hagan regarding the proposed project and Jim Fenton has met twice with Town staff for their input, the ACHC felt this would be an excellent opportunity for the Selectmen to see a presentation of the plans before the Board of Appeals schedules a Public Hearing for the Comprehensive Permit.

Sincerely,

Naomi E. McManus
Executive Director

✓ CC: Mark O'Hagan

Alice Wong



10/29/02 Don, John M, Betty, Bob, Nancy
Don Dehn

1. Survey
if no title changing hands, may not need plot plan
2. Deed - don't need if lease notice of lease at registry filed
3. Curb cut - no progress should be no problem

4. Environ

5. Elevator - remove from RFP
let developer meet law

6. Construction standard
quality should be on developer
shoulder

* 30B

RFP must meet "minimums" or can be thrown out

Affordability - key piece

2/25/03 Towne RFP + Lease
Dean, Bob w, Betty, Nancy,

Home Rule - P + D interp

Timetable - aim May 1^{*}

1. Site Plan ~~development~~ agreement
interim agreement until funding
in place + feasible
then sign lease

allow developer to raise concern about
signing lease before ready to go
negotiate w/ town

~~BOBO~~ - prevailing wage? private developer
should evade prev. wage

2. Rent issue -

3. Property vs Premises in RFP
needs to be Premises (the package)

4. Easements? no.

5. Initial improvements vs alterations

Lease

4. Extension 2.3
who should initiate
take it out?

check w/ P+D

7. b 6.3

over \$100K repairs need Army permission

8. \$10M insurance too high
ask P+D

9. 8.2 + 14.1

RFP

1. Property vs Premises
should be Premises

Successful bidder must sign lease
within X days

* must put notice in RFP
to RFP

Response time: 60 days

Dean - Timetable + Questions

1. Renew panel membership
ACHC, Dean, SC

2. Electric service hooked to school, must be changed, but after developer schools pay bill

→ alert in RFP - pursue Mass Hvy permit curb cut

→ get electrical service

3. Fire alarm + sprinkler system needs to be maintained

4. Documents need to be printed for responders
a. maps
b. engineering legal descrip.

5. Time
print RFP
print docs
publish in trade + Central Reg.
1st ad CR = 2 weeks min.
go into professional mag
16 notice perhaps after award

Dean Charter
204-9629

1. RFP - parking area specific, can we change later say by BOA allowing less parking on site.
How many changes allowed a/in law

ACNC puts out RFP w/ specific land area & parking area

RFP or Invitation to Bid

need to evaluate proposal

a little more latitude in changing specificities w/ RFP

Dean's concerns:

if uncertainty & controversy about proposal, limited bids
less advantageous proposal
E.g. if 2 spaces per unit & BOA says 1

Huge uncertainty w/ BOA
If appealed then goes to Superior Court
uncertainty for developer

Appeal could tie it up for years

Central Register considers it a discrepancy
even though lease
notice w/ description of property

Central Registry Form CR3

Rental of public property

* must be published 30 days before
deadline of award

* Descrip of prop, value

* Significant ~~to~~ difference in descrip.
of land if 1 spot per unit vs 2 spots
per unit

* If you put out a RFP that ~~is in~~
includes land that is already
in violation of the current
zoning, in the hope the BOA
will approve it, you will ~~not~~
attract very few interested
developers

vs eg. a parking of 1 space per unit
vs 2 per unit

Report on Towne Building from Dean Charter

11/18/02

Dean went on site walk with Goldman Environmental last week and reports it went well and the engineer did not seem overly concerned with anything. The Town had pulled together many reports and studies for her use. He expects a report to be issued quickly since she seemed to be on a fast track. He did not find the records for the oil tank removal but sent her to the Fire Dept. (Bill Klauer) where the records should be.

The building has now been turned over to the Town with Dean and his crew in charge of the maintenance and security. The schools have been very cooperative in the transfer. The heat is up and running after the school fixed it. The sprinkler system is functional and the sprinkler that was located outside the building as part of the demolished addition has been removed. That was the sprinkler head that had frozen up. The system is a dry system but condensation can build up in the heads causing them to freeze so the heat will need to be maintained at 60 degrees.

The power is a problem since there is no meter between the transformer and the building. It may cost \$2-3000 to install a meter, the town will continue to work on that problem and in the meantime be billed for electricity by the school. Aside a few lights, the furnace and the compressor for the sprinklers, there is no other power usage.

There is no water in the building but the Water Dept. has hooked up a temporary line to the furnace. The developer will eventually have to pay to have domestic water connected to the building. (around \$15,000)

The building is checked every day by the Town Municipal properties dept. including Sundays. Dean is opposed to boarding up the windows at this point because it would be costly and unsightly.

Acton Housing Authority

From: "Tavernier" <ntavern@comcast.net>
To: "Bob Whittlesey" <rbwhittlesey@earthlink.net>; "Acton Housing Authority" <ahabetty@attglobal.net>
Sent: Tuesday, September 23, 2003 3:09 PM
Subject: Fwd: RE: Towne Building decision

FYI. Such a gracious message. I feel a lot better.

>From: "Lynn Peterson" <lynn.peterson4@verizon.net>
 >To: "Tavernier" <ntavern@comcast.net>
 >Cc: "Felice Mendell" <fmendell@wihed.org>
 >Subject: RE: Towne Building decision
 >Date: Tue, 23 Sep 2003 12:28:13 -0400
 >X-Mailer: Microsoft Outlook, Build 10.0.3416
 >Importance: Normal
 >X-Authentication-Info: Submitted using SMTP AUTH at out003.verizon.net
 >from [151.203.199.167] at Tue, 23 Sep 2003 11:28:00 -0500
 >

>Hi Nancy-

>I really appreciate the feedback. As you know, the Women's Institute's
 >mission is focused on creating affordable housing for low-income
 >families. While young singles and empty nesters need housing, they are
 >not our priority. This wasn't a perfect fit for the Women's Institute
 >but we tried to develop a proposal that would meet both the town's
 >concerns and our objectives. We are using the low income housing tax
 >credits and historic credits on the school in New Bedford in a building
 >that will be 100% affordable building and for families.

>I am sure I will be encountering the same battles in Wakefield. The
 >school happens to be located near a 40B project so the neighbors are
 >already up in arms. The selectmen aren't showing any leadership toward
 >making the school into housing either. I am truly impressed with the
 >housing partnership and leadership of Acton in garnering the support and
 >guiding this project. I am sure it will be a success, and we are sorry
 >we will not be the developers. Certainly if there are other
 >opportunities we would be interested.

>Lynn

>

>-----Original Message-----

>From: Tavernier [mailto:ntavern@comcast.net]
 >Sent: Tuesday, September 23, 2003 11:07 AM
 >To: Lynn Peterson
 >Subject: Towne Building decision

>

>Hi Lynn,

>

>I tried you at work but realize you are not in today and I wanted to get
>
>word to you as soon as possible so am using your home email address.
>
>I am sorry to tell you that we did not select Women's Institute's
>proposal
>for the Towne Building but rather Homeowner's Rehab. The Board of
>Selectmen endorsed our decision last night. I want to give you some of
>the
>reasoning for our decision, especially because your experience in
>Wakefield may parallel Acton's and it would be helpful to understand our
>
>viewpoint.
>
>First of all your proposal was extremely well done with a great deal of
>thought and detail put into it. You were completely responsive to the
>RFP
>and had done your homework thoroughly. We were especially taken with
>the
>loft idea, we had no idea the structure was so conducive to such a
>design. We also liked the community space suggestion. Those were major
>
>pluses.
>
>What really presented an insurmountable obstacle was the unit
>configuration
>and the potential for over 80 occupants in the building. If the Towne
>building were not located in such a visible location with such
>constraints
>on the land area and access, it would have been not so
>insurmountable. What we presented to the Town Meeting in April 2002 was
>a
>conceptual plan for housing young singles, empty nesters, town employees
>
>and a few starter families. Even though it was located next to the
>schools
>it was not conceived of to be a magnet for families with school aged
>children. Instead, it was an idea of providing a residential component
>to
>the Kelley's Corner commercial area and to employees who worked in the
>area.
>
>This is our first municipal affordable housing development, we have much
>
>credibility riding on its success. We still have opponents out there,
>notably some members of the school committee and the entire finance
>committee. They all wanted the building to be torn down to make way for
>playing fields for the kids. They were defeated twice at town meeting

>but
>they linger, and linger in important positions where they can still
>shoot
>arrows at us. We could not risk bringing in a proposal that differed
>significantly from what we had presented. It was just too dense for the
>
>location.
>
>Homeowner's Rehab has proposed using Tax Credits for the major funding
>in
>their proposal. This includes both Low Income and Historic tax credits,
>
>which will bring much stability to the proposed funding. They will be
>putting together a very intricate funding plan.
>
>I know you must be very disappointed not to be selected and for that I
>am
>sincerely sorry. I wish you well in your endeavors in Wakefield. I am
>sure you have run into some of the same problems with local acceptance.
>that
>we have but I suspect it only causes you to believe all the more
>strongly
>that what you are doing is the right thing. We agree with you on that.
>We
>also have the utmost respect for Women's Institute's mission of
>providing
>housing for families and children and more importantly for your
>unwillingness to compromise that mission.
>
>I will be out today and tomorrow but if you have the need to talk
>further,
>do not hesitate to call me at (978) 263-9611.
>
>Thank you so much for all your efforts. Perhaps you will consider Acton
>in
>the future should we find other opportunities.
>
>Nancy Tavernier
>Acton

Acton Housing Authority

From: "Tavernier" <ntavern@comcast.net>
To: "Gim P. Hom" <gphom@att.net>
Cc: <pkashton@aol.com>
Sent: Wednesday, September 24, 2003 9:25 AM
Subject: Re: Towne Reuse

Gim,

CPA funds are not being proposed for the Towne project. There was no such resolution passed at Town meeting. The vote April 2, 2002 was to NOT demolish the building. The ACHC presented the Selectmen-recommended reuse as affordable housing as part of the argument against demolishing the building. My presentation at Town meeting included the words "At no cost to the town". That is our intention to this day. I would point out, however, the CPA had not yet been approved by Town Meeting at that point. Now that it is in place and it does require an annual expenditure on affordable housing, it is logical to assume that a potential use in the future could include some enhancement to the Towne project. We do not propose that in this first round.

I will be away on Oct. 14 so will not attend your meeting. At some time in the future when the funding is firmed up, we would be happy to ask the financial guru who is doing the funding package for the developer to come to your meeting to explain to you why and how this type of development works. This was the information we attempted to give you prior to the April 2002 town meeting.

In the meantime, if anyone is that interested in scrutinizing the process we went through, you can access the information packet that the Selectmen had for the Sept. 22 meeting.

Thank you.

Nancy

At 08:03 AM 9/24/03 -0400, you wrote:

Nancy:

Can you or someone else come to the Finance Committee and discuss the selection of HRI for the Towne reuse project? Specifically there are a number of questions regarding the financial side of the project? There are two areas of concern:

1. the resolution passed at Town meeting asked that town funds not be used for the project. At least one member of the finance committee believes that CPA funds are town funds.
2. the HRI proposal shows a very low property tax.

Our next meeting is 10/14.

9/24/03

Regards,

Jim