



1035 Cambridge St. Suite 12, Cambridge, MA 02141

Memo

To: Thomas Evans
From: Bill Gordon
cc: Craig Nicholson, Elizabeth Marsh
Date: 1/8/2018
Re: Fire Suppression System Grant/Loan for Squirrelwood Project

Tom,

As I am sure you recall, we recently met to discuss a potential grant from the Cambridge Redevelopment Authority (CRA) to Just-A-Start (JAS) to provide financial support for installing fire suppression systems throughout the Linwood Court site, which will be refinanced and rehabilitated in 2019, as part of the Squirrelwood project.

We've previously discussed the CRA's interest in using funds received through MXD Development Revenue on affordable housing efforts in the Wellington-Harrington Neighborhood (WHN). The CRA committed financing to the JAS Consolidation project for the installation of fire suppression systems after the devastating fire at St. Patrick's Place in 2016. These funds will have a huge impact on the safety and sense of security of our residents. Similarly to St. Patrick's Place, Linwood Court is located close to the Wellington-Harrington neighborhood, and also has a high priority need for sprinkler systems. We feel it is an excellent match with how the CRA might like to allocate MXD Development Revenue. Our request is for \$420,000 (seven buildings/44 Units).

I have attached a brief project description of our Squirrelwood project. It involves the refinancing and consolidation of two separate projects- Linwood Court and Squirrel Brand- into one project. The project will include approximately \$10.5M of renovations to 65 units of existing housing as well as adding two new buildings and an addition totaling 23 new units of affordable and Workforce housing on the Linwood Court site. This will be a 2019 project, and it has a tax exempt bond volume cap allocation and 4% LIHTC's as the major source of financing, along

with the assumption of existing City and State debt, state historic tax credits, and several new state soft funding sources.

Without CRA funding, the project cannot afford to install fire suppression systems in all the buildings. After last year's fire at 50 York, fire safety is a top priority for JAS. We have attached a spreadsheet that details all the buildings in the project.

After reviewing the attached project description and spreadsheet please let me know what other information you need. If needed, we will be happy to meet with you and/or present to your board. Finally, we are submitting a OneStop funding application to MassHousing in February. It would be very helpful to get a commitment of receiving funds from the CRA prior to our submission.

Thank you,

A handwritten signature in blue ink, appearing to read "Bill Gordon", with a long, sweeping horizontal stroke extending to the right.

Bill Gordon

Squirrelwood Project Overview

Just-A-Start Corporation is undertaking the refinancing and rehabilitation of two existing JAS properties. These two existing Just-A-Start properties consist of 65 units on two sites across the street from each other. Linwood Court, an expiring 13A property, has 8 buildings with 45 units. Squirrel Brand, a LIHTC property that completed its 15 year compliance period in 2016, consists of an 18 unit converted candy warehouse, in addition to a two-family building across the street.

We plan to build 23 new units in three new buildings on the Linwood Court site. Ten of the units will be restricted for Workforce Housing and the remainder will be LIHTC eligible. Three of the new units will be added onto the back of an existing three-story building. The other twenty units will be in two new free-standing buildings. One will be an elevated four-story building with fourteen units. The other will be a non-elevated three-story building with six units.

We have completed our community outreach process, and have not received any significant opposition to the project. Our meetings with the City of Cambridge development and planning staff have also been positive. We will be submitting our 40B site eligibility application to MassHousing in November. The project has already accepted \$4.8 million of funding from MassHousing for the 13A preservation and has been allocated \$1 million for Workforce Housing.

Development Team:

Developer:	Just-A-Start Corporation
Architect:	Davis Square Architects
Attorney:	Klein Hornig
Management Company:	Maloney Properties

Assumptions:

Ownership Structure: LLC

Building Size: 104,420 sq. ft. (existing)

Project Scope: Rehab of 10 buildings on 2 sites, 2 new buildings and 1 addition to Linwood Court

Number of Units: 65 existing, 23 new

Unit Breakdown: 3 studios, 8 (2 existing, 12 new) 1-bedrooms, 30 (24 existing, 8 new) 2-bedrooms, 35 (32 existing, 3 new) 3-bedrooms, 4 4+ bedrooms

Rent: 1-bedroom- \$994/month average

2-bedroom- \$1192/month average

3-bedroom- \$1377/month average

4 and 5-bedroom- \$1616/month average

Subsidy: 24 potential MRVPs at Linwood (16 currently in use), 8 PBV at

Squirrel, Operating Costs: \$933,791

Anticipated Closing and Construction Start: 1st Quarter 2019

Squirrelwood

Schedule of Properties

		PRIORITY MATRIX									
	location	# Units	# fl's	High Priority	Medium Priority	Currently Sprinkled	Type	Date Built	Date Rehab		
Wellington-Harrington Development Corp.											
1	261/63 Broadway	4	2		1		double 2-decker	1889	1973		
2	267 Broadway	1	2				Single family	1838	1973		
3	269 Broadway	6	3		1		double 3-decker	1911	1973		
4	200 Columbia	6	3	1			double 3-decker	1911	1973		
5	204 Columbia	8	4	1			double 4-decker	1890	1973		
6	210 Columbia	8	4	1			double 4-decker	1892	1973		
7	1-6 Linwood Place	6	2		1		Townhouses	1893	1973		
8	40 Market	6	3	1			double 3-decker	1893	1973		
		45		3	4	0					
				3							420,000
											@ \$60K / bldg = \$