

## RECOMMENDED CPA PROJECTS & FUNDING BY CPA RESERVE ACCOUNT

		FY18 Housing Reserve	Fund Balance	FY19 Housing Reserve	FY19 Historic Reserve	FY19 OS/Rec Reserve	FY19 Budgeted Reserve
Project	AWARD RECOMMENDATION	Available funds					
		\$63,250.00	\$37,247.97	\$66,900.00	\$66,900.00	\$66,900.00	\$434,850.00
<b>Community Housing</b>							
NSCDC's Lighthouse 34	\$130,150.00	\$63,250.00		\$66,900.00			
<b>Historic Resources</b>							
Salem Common Fence Restoration	\$125,000.00		\$37,247.97		\$66,900.00		\$20,852.03
Salem Common Bandstand	\$100,000.00						\$100,000.00
Turner-Ingersoll Mansion Roof Replacement	\$26,500.00						\$26,500.00
The Bridge at 211 Window Restoration	\$42,647.97						\$42,647.97
<b>Open Space &amp; Recreation</b>							
Ryan Brennan Memorial Skate Park Renovation	\$42,750.00					\$42,750.00	
Gallows Hill Renovation Designer Services	\$65,000.00					\$24,150.00	\$40,850.00
Olde Salem Greens Golf Cart Paths	\$150,000.00						\$150,000.00
Memorial Park Irrigation	\$54,000.00						\$54,000.00
	<b>\$736,047.97</b>	<b>\$63,250.00</b>	<b>\$37,247.97</b>	<b>\$66,900.00</b>	<b>\$66,900.00</b>	<b>\$66,900.00</b>	<b>\$434,850.00</b>
<b>Remaining</b>		<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>

<b>APPLICANT:</b>	North Shore Community Development Coalition
<b>PROJECT TITLE:</b>	Lighthouse 34
<b>PROJECT LOCATION:</b>	34 Peabody Street
<b>CPA CATEGORY:</b>	Housing Resources: Creation
<b>CPC PRIORITY RANKING:</b>	High
<b>CPC RECOMMENDED CPA FUNDING:</b>	\$130,150.00
<b>CPC RECOMMENDED SOURCE:</b>	\$63,250.00 – FY18 Housing Reserve
	\$66,900.00 – FY19 Housing Reserve

**PROJECT DESCRIPTION:**

North Shore Community Development Coalition (NSCDC) requested \$200,000 in CPA funds to create 21 units of affordable housing and 750sf of program space at 34 Peabody Street in a new 5 story building. Nineteen (19) parking spaces will be located at grade under the building itself.

The City of Salem, like many communities and cities around country, is facing a severe housing crisis. Home prices and rents have increased significantly over the last several years and the creation of affordable housing is critical. Over 48% of renters in Salem and 54% in the Point are considered “Cost Burdened,” meaning they pay over 30% of their income in rent. Salem’s need for quality, up-to-date, affordable housing units was clearly demonstrated when the NSCDC recently rehabbed 64 units in the Point Neighborhood to serve households earning 60% of the area median income (AMI) or below. Over 600 applications were received for the unit lottery in July, 2016 for only 24 available units.

To help address this issue, the Lighthouse 34 project will be 100% affordable at 60% of AMI, with 9 units set aside for Extremely Low Income (ELI) households. All of the ELI units will be 2BR and 3BR units. The project is consistent with several goals and needs identified in various City of Salem and Point Neighborhood plans completed over the last few years, including the “Salem Housing Needs and Demand Analysis” (2015) and the “Point Neighborhood Vision and Action Plan” (2013).

The building is designed to be extremely high performance. As it is located in within the current FEMA flood zones, first floor uses and materials have been carefully considered to ensure no residential uses at that level and high resiliency. Expected to pursue the Passive House Design Standard, the world’s most energy-efficient, these buildings will combine a super-insulated, air tight envelope with an intelligent ventilation system and passive solar strategies to substantially minimize heating and cooling loads by 80-90%, reducing overall energy demand by up to 50-60% and realizing extreme thermal stability. All materials will be chosen to emphasize healthy indoor air quality, as well as regional production, recycled content and durability. Together, this holistic design approach will provide buildings with not only dramatically reduced utility bills, operating costs and carbon footprints, but also far more durable, phenomenally comfortable and healthy to be in, and highly resilient.



The Applicant believes the proposed Project fulfills a number of important objectives in the community:

1. To fulfill an important need for affordable housing by developing a community for individuals and families, that maximizes the number of affordable units by balancing the financing resources and long term operational costs.
2. To develop a high quality, energy efficient and sustainable building that will provide a healthy and cost efficient environment for the residents.
3. To develop a building design that will work in scale and character with the neighborhood and one which will be an exemplary model for affordable housing.
4. To assure the City of long term management and continuity to sustain affordability during the affordability term through sponsorship by a committed non-profit development team that has a successful and proven track record of building and managing rental housing under complex federal and state funding programs.

#### **FINANCIAL:**

	<b>SOFT COSTS*</b>	<b>ACQUISITION</b>	<b>CONSTRUCTION**</b>	<b>TOTAL</b>
<b>SOURCE 1: SALEM CPA (AMOUNT REQUESTED)</b>	\$	\$	\$200,000	\$200,000
<b>SOURCE 2:FEDERAL AND STATE LIHTC</b>	\$1,675,163	\$64,305	\$3,376,614	\$5,116,082
<b>SOURCE 3:STATE(DHCD) SUBSIDY (AHTF, CATNHP, CBH, HIF, HOME, HSF)</b>	\$1,091,580	\$	\$738,010	\$1,829,590
<b>SOURCE 4:CITY HOME</b>	\$25,000	\$	\$	\$25,000
<b>SOURCE 5:PERMANENT LOAN</b>	\$	\$	\$1,278,000	\$1,278,000
<b>TOTAL PROJECT COST</b>	<b>\$2,791,743</b>	<b>\$64,305</b>	<b>\$5,592,624</b>	<b>\$8,448,672</b>

#### **TIMELINE:**

- o Fall 2016 – 3 Community Meetings to present the project (DONE)
- o Winter 2017 – Preliminary Design (DONE)
- o Spring/Summer – Permitting (DONE)
- o Summer 2018 – Design
- o Fall 2018 – Pre Application to DHCD
- o Spring 2019 – Full Funding Award Application to DHCD
- o Fall 2019 - Funding Awards
- o Spring/Summer 2020 – Construction Start Date
- o Summer 2021 - Lease Up
- o Fall/Winter 2021 – Permanent Closing

#### **CPC RECOMMENDATION:**

The Community Preservation Committee voted unanimously, with McCrea and Northcutt not present, to recommend funding this application at \$130,150. The CPC voted to recommend \$63,250 from FY18 Housing Reserve and \$66,900 from the FY19 Housing Reserve. Funding is conditional upon the requirement that an Affordable Housing Restriction (maximum 80% AMI) that has been approved by the MA Department of Housing and Community Development) be filed at the Registry of Deeds.