

P F D LEND PROGRAM

SUBMITTED BY: MICHAEL R. LAPHAM

This notebook contains memoranda written by Mike Lapham for Caritas Communities, Inc., a non-profit housing development corporation in Quincy, Massachusetts. Anyone who can make use of this information should feel free to do so by copying the memoranda or other relevant information contained herein.

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# Caritas Communities

*A Fellowship of Caring*



# Caritas Communities, Inc

Caritas Communities is a non-profit corporation which provides permanent housing for the working poor. By purchasing, renovating, and managing rental properties in the greater Boston area, Caritas Communities has developed a unique model which applies the principles of real estate development and property management to address a pressing need. Each Caritas Community is a form of congregate housing which provides a respectfully shared living arrangement while allowing residents to function independently. Each resident lives in a newly furnished single room, with shared kitchen and baths. Caritas properties enhance their respective neighborhoods with attractive exterior, exceptional landscaping, maintenance, and sound management.

## RESIDENTS

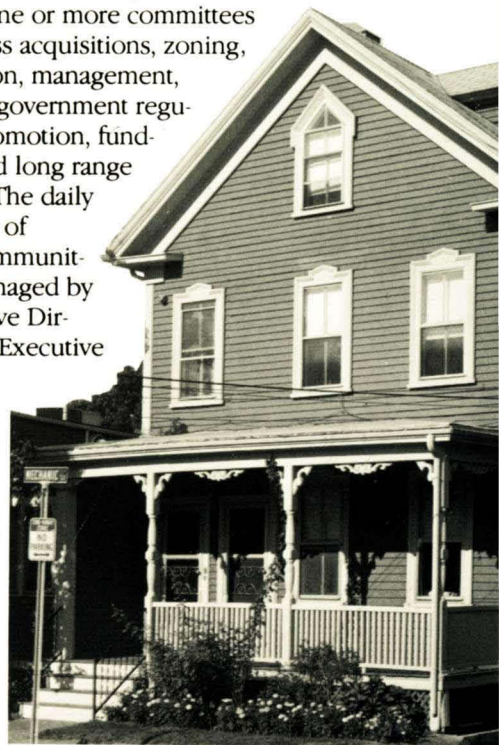
Residents of Caritas Communities are people of modest means who could not otherwise afford a decent, clean, and safe place to call home. Through the use of state subsidies, Caritas assures that most residents spend no more than 25% of their income on housing. Unlike the common perceptions of the homeless, our tenants are not unemployed transients. The vast majority of our residents are employed at minimum wage jobs. Caritas is most concerned with people who have been displaced from their homes and neighborhoods, the elderly, and the working poor who are homeless for any reason. Caritas works with the social services agencies, neighborhood groups and churches to identify potential tenants who are capable of independent living. House rules and regulations are discussed and a copy is given to each applicant at his or her first interview.

## FUNDING

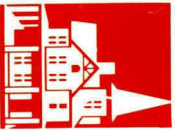
To date, Caritas has secured all its funding from annual dinner dances and private donations, assuring its 501-c-3 status as a non-profit organization. For more information contact *Executive Director*, Marjorie O'Malley, Caritas Communities, Inc., P.O. Box 7153, Quincy, MA 02269-7153, (617) 479-5051

## THE ORGANIZATION

Caritas Communities is governed by a 20 member Board of Directors who are closely involved with every facet of the organization. As well as overseeing the implementation of Caritas's mission, the Board sets policy for the organization, reviews the financial status and works toward the acquisition and management of Caritas properties. Members remain anonymous within reason and serve on one or more committees that address acquisitions, zoning, construction, management, financing, government regulations, promotion, fund-raising, and long range planning. The daily operations of Caritas Communities are managed by an Executive Director. The Executive Director and her staff supervise existing properties, interview potential tenants, manage operating funds and serve as a liaison with government agencies, and funding sources.



*Caritas House  
6-8 Mechanic Street  
Quincy, MA*



**Caritas  
Communities  
Incorporated**  
P.O. Box 7153  
Quincy, MA 02269-7153



TO: Anyone Who Can Use This Information

Note: this memo was originally written for use by Caritas Communities, Inc., a non-profit housing development organization in Quincy, MA which develops and manages single room occupancy buildings.

FROM: Michael R. Lapham

DATE: May 17, 1989

RE: PFD LEND Program

CDBG/PFD

In the City of Boston, Federal Community Development Block Grant (CDBG) funds are administered by the Public Facilities Department (PFD). The contact person at PFD for housing-related CDBG programs is Janet VanZandt, who I believe you both know.

PFD administers two major programs with its CDBG money: the Federal Rental Rehabilitation Program and the City of Boston's Loans to Encourage Neighborhood Development (LEND). According to Janet, the Rental Rehabilitation program cannot be used for acquisition and cannot be used with Project-Based Section 8 Certificates. As such, I did not pursue the applicability of this program to Caritas' work, but could do so in a future memo.

The LEND Program

The PFD's LEND Program appears to be right up Caritas' alley (provided the alley is within the City of Boston). The program provides flexible, low-interest loans of up to \$250,000 for up to 15 years to cover anything from acquisition to soft costs to construction or permanent loans. These loans are generally the last money into the project, and may range between 0% and 7% interest, depending on the needs of the project.

Projects may be either rehabilitation or new construction, and must meet fairly standard requirements for low-income use and public benefit, as well as the usual equal employment, fair housing, Davis Bacon construction Wage, lead paint, minority business utilization, environmental, historic and other standard requirements (see p. 8 of attached regulations for list of requirements).

Developers may use LEND funds for acquisition of land for new construction, provided more than 20% of the units are low- and moderate-income units (defined as 50% and 80%, respectively, of Boston SMSA median income, or \$16,400 and \$23,800 for individuals). In addition, the percentage of LEND funds in the deal may not exceed the percentage of low- and moderate-income units. (see p. 3 of regulations)

The financing of the new construction work itself, however, is only an eligible activity for neighborhood-based organizations, which means that the organization must have a "CDC-type" locally-elected board. Because Caritas does not have such a board, the organization may not be eligible for new construction money under the federal CDBG regulations. Caritas would, however, be eligible for the rehabilitation portion of the program. In rehabilitation projects, at least 51% of the units must be for low- and moderate-income use, which is obviously not an impediment for Caritas.

The application process begins with an initial meeting with PFD staff to present preliminary construction/rehabilitation plans and a project summary (see p. 11 for project summary sheet). Final applications may be submitted at any time. Closing costs include a disbursing and servicing fee of up to to \$5,600 for a fifteen-year loan and \$60-75 per additional disbursement, and \$1,500 - \$2,500 in legal fees.

PFD's LEND Program (Follow-up, 6/16/89).

Bob Gehret said that the LEND Program is generally used for non-profits doing rehabilitation. Many of these have been either co-ops or shelters. The money is generally provided in the form of a second mortgage loan ranging anywhere from \$50,000 to \$250,000 per project. In some cases, the loan may be forgivable, depending on the amount of the loan, the type of project and the project's needs. He said that when McKinney Act money is available, PFD will tend to use it for rehabilitation projects, since that is the only way that money can be used, (rather than using CDBG funds, which can be used more broadly). He said that the total amount loaned or granted under the LEND Program is variable, depending on the types of projects that they need to fund, the availability of other funds, etc.

The process for applying for funding under LEND is basically that after an organization has site control and has done their homework on the neighborhood level, the organization brings the project to PFD and a project manager works with the organization to determine the appropriate and best use of the LEND funds. He said that if there is a good project, PFD will "find a way to get it funded." He also noted that it is important to try to keep Janet Van Zandt apprised of any potential projects that are in the development process, so that she is able to have an overall sense of what projects will need funding of various types, and can then allocate funds appropriately.

2605Y/90

THE LEND PROGRAM  
LOANS TO ENCOURAGE NEIGHBORHOOD DEVELOPMENT  
PROGRAM DESCRIPTION

CITY OF BOSTON  
RAYMOND L. FLYNN, MAYOR  
  
PUBLIC FACILITIES DEPARTMENT  
LISA G. CHAPNICK, DIRECTOR

(Revised 11/88)



## THE LEND PROGRAM

### I. INTRODUCTION

Loans to Encourage Neighborhood Development (LEND) is a flexible financial assistance program of the City of Boston. LEND is administered by the Public Facilities Department (PFD).

LEND assists neighborhood development projects providing significant public benefits. Low-interest flexible loans are available to eligible residential, commercial, mixed-use, and industrial projects. The maximum loan amount is 50% of project development costs. The average loan generally does not exceed \$250,000.

Program funds may be used for the costs of acquisition of and improvements to real estate. In certain instances, funds are also available to small businesses for fixed asset and leasehold improvements.

Applications for funding may be submitted at any time. Proposals are evaluated on the basis of: program eligibility; public benefit; financial feasibility; soundness of project concept; development team capability, experience and financial strength; consistency with local economic development strategy; and readiness for construction.

All prospective applicant are requested to discuss their proposed project with PFD Neighborhood Development staff before applying to LEND. The attached LEND Project Summary form should be submitted in addition to preliminary construction plans at this initial meeting. The final LEND application will be available at this meeting.

Contact: Neighborhood Development Division  
Public Facilities Department  
10th Floor  
15 Beacon Street  
Boston, MA. 02108

Telephone: 720-4300 extension 363

## II. ELIGIBILITY

LEND funds may assist the following project types: residential, commercial, industrial and mixed-use real estate developments. Projects located in targeted neighborhood commercial districts or considered by PFD to be "anchor" or key developments will have priority.

LEND is funded through the Community Development Block Grant (CDBG) Program. CDBG-financed programs are subject to federal regulations of the U.S. Department of Housing and Urban Development (HUD). Projects are only eligible for CDBG funding if they either benefit primarily low-and moderate-income people or prevent or eliminate slums and blight.

Households are determined to be low-income if the aggregate income is 50% or less of the median income for the Boston SMSA, based on household size. Households are determined to be moderate-income if the aggregate income is 80% or less of the median income. Current low and moderate current income limits are shown in Attachment A.

Projects are eligible for LEND financing if they meet the following criteria:

Residential: For rehabilitation projects, at least 51% of the units must be occupied by low- and moderate-income households, or LEND funds must be used to eliminate code violations.

In general, residential new construction is an ineligible activity. However, neighborhood-based non-profit organizations are eligible to undertake new construction where PFD deems it necessary or appropriate to meet community development objectives. In addition, any developer may use LEND funds to acquire the land on which a new construction project is to be built. In these cases, the development must provide a minimum of 20% low- and moderate-income housing. The amount of LEND in a new construction project cannot exceed the percentage of low-and moderate-income units. For example, if 25% of the units are low- and moderate-income, the LEND loan may be made for up to 25% of the total development costs.

Retail or Social Services: At least 51% of the residents of the trade area must be low- and moderate-income, or the project must be located in an Urban Renewal area or a Commercial Area Revitalization District (CARD) exhibiting symptoms of blight.

Office and Industrial: At least 51% of the permanent jobs created or retained must be suitable for low-and moderate-income people, or the project must be located in an Urban Renewal or CARD area exhibiting symptoms of blight.

No funds may be used for administrative or operating costs for community development corporations or non-profit organizations, unless these are mortgageable and direct project expenses, e.g., for project management or developer fees.

PFD monitors compliance with all the above requirements. It reserves the right to require on-going certification and reporting to ensure that CDBG regulations are met.

### **III. FINANCIAL ASSISTANCE**

LEND must be used in combination with private lender financing and borrower equity, including equity raised from the syndication of federal tax benefits. It is a subordinate financing program. LEND may also be used in combination with any other government program(s) subject to any restrictions of these other programs. All LEND applicants will be expected to satisfy the equity requirements of the primary lender.

Two types of loans are available through LEND:

#### **1. Real Estate Loans**

Permanent mortgages, construction loans and bridge loans are offered to real estate developers satisfying the LEND project selection criteria (see Section IV). Eligible uses of LEND funds include real estate acquisition, construction, rehabilitation, and associated soft costs.

The loan generally does not exceed \$250,000. The maximum amount of assistance to a developer is 50% of total development cost. For most projects, the assistance ceiling floats between 25% and 50% of total development costs, based on the need of the project and the discretion of PFD.

Loan terms are tailored to each project. Interest rate, term, amortization schedule and collateral are flexible. They vary with the economic need, strength, and public benefit of the proposed project. In no event will the term of the loan exceed fifteen (15) years.

2. Small Business Tenant Loans

Fixed-asset financing is available to eligible small businesses located in PFD's targeted commercial districts. Eligible uses of funds include machinery, equipment, and leasehold improvements. Working capital and inventory are not eligible.

Interest rates on these loans are flexible. The term of the loan is based on banking industry standards for the economic life of the financed asset: production equipment (3-7 years, depending upon obsolescence), and leasehold improvements (3-5 years). The maximum loan amount is 50% of the total amount being financed.

IV. PROJECT SELECTION CRITERIA

A. LEND Real Estate Loans

Projects awarded LEND real estate loans must satisfy the following criteria, as determined by PFD.

1. Program eligibility (see Section II);
2. Development team demonstrates the experience, capacity and financial strength to successfully develop and manage the project;
3. Project is economically feasible and marketable;
4. Project concept is suitable for the site and neighborhood, and the design is appropriate for the market concept;
5. If commercial, project is located in PFD's targeted commercial districts, and/or supports activities in these areas;
6. Project is in a high state of readiness for construction;

7. Neighborhood impact will be positive, development plans are consistent with local economic development strategy, and the project has community support.
8. Project must provide significant public benefits, including:
  - a. Creation of housing units for low- and moderate-income Boston residents;
  - b. Elimination of a major blighting influence in the neighborhood;
  - c. Reuse of vacant or deteriorated buildings and land (rehabilitation is a priority over new construction);
  - d. Creation/retention of permanent jobs for low- and moderate-income residents of Boston;
  - e. Provision of essential neighborhood commercial services;
  - f. Creation of minority business opportunities.
  - g. Potential for economic spin-off and leverage of additional development and investment in the immediate neighborhood;
  - h. Additional property taxes to the City;

**B. LEND Business Tenant Loans**

Small businesses awarded LEND business loans must meet these selection criteria as determined by PFD.

1. Program eligibility (see Section II) and located in a targeted commercial district.
2. Firm has at least a three-year history of successful operation and management, documented by three years of financial statements.
3. Financing plan, of which LEND is an element, is sound in concept, appropriate for the company's growth and long-term success, and consistent with the firm's business plan.
4. Financial commitments can be finalized and the project implemented without delay.
5. LEND assistance will generate significant public benefits, as described above.

## V. APPLICATION PROCESS

Applications for funding may be submitted at anytime. Applicants are requested to discuss their proposed projects with PFD Development staff before applying for LEND. The attached Project Summary form should be submitted at this initial meeting. The final LEND application will be available at the meeting.

Only complete applications are accepted. Each proposal is given a specific timetable for progress toward final commitment of funds.

Technical assistance toward implementation is available to projects throughout this process. In addition, non-profit community-based organizations may apply separately to PFD for technical assistance funds to support pre-development costs or a project manager.

Applicants must be current in their property tax payments for all property owned within the City of Boston. In addition, PFD provides information to the Arson Commission, Fair Housing Commission, and Rent Equity Board. PFD reserves the right to require any additional information it deems appropriate. Any findings judged by PFD, in its sole discretion, to be adverse, may result in a denial of LEND assistance.

### A. Real Estate Loans

The LEND application details all aspects of the proposal's financial structure, operations, and physical design. The amount and terms of the loan will be considered at this time.

### B. Small Business Tenant Loans

There is a separate application for Small Business Tenant loans to determine the firm's eligibility for LEND assistance. The application details the proposed financial plan, funding commitments, company history, credit worthiness, prospect for growth and success, and public benefits.

Final loan approval is awarded when a proposal has satisfied all of PFD's application criteria. The loan must be closed within 90 days of the date of issuance of final commitment.

At the time of first advance of LEND funds, the borrower must pay a disbursing and servicing fee, as determined by the bank, acting as the City's agent. Assuming no adjustments must be made due to deferment, this fee will be a maximum of \$5,600 for a fifteen-year term. In addition, a fee of \$60.00-\$75.00 will be charged for each disbursement request for LEND after the initial request.

The borrower also must pay for legal costs incurred in conjunction with the LEND loan closing upon receipt of a bill detailing these costs. These average \$1,500-\$2,500 per loan. In the event the loan does not close, the borrower must pay all legal costs within fifteen days of billing.

## **VI. Standard Requirements**

Pursuant to statutes and regulations governing the use of Federal Community Development Block Grant funds, applicants awarded LEND financial assistance must comply with the following:

- (a) Federal environmental and historic clearance procedures. The City of Boston will prepare an environmental and historic assessment leading to a "level of clearance finding" based on information provided by the applicant. Should an Environmental Impact Statement be necessary, the applicant is responsible for its preparation.
- (b) Davis-Bacon construction wage levels, if applicable. Each project will be evaluated individually. It should be assumed that Davis-Bacon or prevailing wages, as established by the U.S. Department of Housing and Urban Development, will apply. Residential project with 8 or more units automatically trigger Davis-Bacon, if LEND funds are to be used for construction costs, including labor and materials. If the applicant can document that LEND funds will not be used for construction costs, including labor and materials, but will be used only for such other costs as property acquisition, certain soft costs and fees, and equipment or personal property, Davis-Bacon will not apply.
- (c) Federal equal employment opportunity, fair housing and affirmative action requirements, and all other federal regulations relative to the use of the Community Development Block Grant. Pertinent civil rights mandates include, but are not limited to, Title VIII of the Civil Rights Act of 1968 (fair housing) and Section 504, Rehabilitation Act of 1973 (non-discrimination based on handicap). In addition, in order to ensure that a fair share of contracts are awarded to small and minority business firms, contract assurances will be required relating to OMB Circular A-102, Attachment "O".
- (d) City of Boston Ordinances and Mayoral Executive Orders on Employment and Minority Business Utilization for construction projects funded through the City of Boston. During construction, between 10% and 30% (depending on location) of the value of all construction equipment, supplies, materials and services procured by funds under the LEND program must be obtained from Minority Business Enterprises as determined by the City's Compliance and Enforcement Division. In addition, of the construction jobs created, 50% must go to Boston residents, 25% to minorities, and 10% to women.

(e) Federal and Massachusetts regulations concerning asbestos and lead point removal.

Applicants and their principals must be current in their property tax payments on all property owned within the City of Boston.

The PFD Director, in her sole discretion, may waive any program requirement except those statutory and regulatory provisions of the CDBG Program.



ATTACHMENT A

Tenant Eligibility Income Limit (by family size)

Moderate Income (80% of median)

<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>
<u>22,700</u>	<u>25,900</u>	<u>29,150</u>	<u>32,400</u>	<u>34,450</u>	<u>36,450</u>	<u>38,500</u>	<u>40,500</u>

Low Income (50% of median)

<u>15,500</u>	<u>17,700</u>	<u>19,950</u>	<u>22,150</u>	<u>23,900</u>	<u>25,700</u>	<u>27,450</u>	<u>29,250</u>
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(11/88)

LEND

PROJECT SUMMARY

1. Applicant \_\_\_\_\_

2. Applicant Address \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

3. Applicant Phone \_\_\_\_\_

4. Project Name \_\_\_\_\_

5. Project Address \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

6. Ward \_\_\_\_\_ Parcel(s) \_\_\_\_\_

7. Project Type (check all categories that apply)

- \_\_\_\_\_ New Construction
- \_\_\_\_\_ Rehabilitation
- \_\_\_\_\_ Commercial \_\_\_\_\_ Office \_\_\_\_\_ Retail
- \_\_\_\_\_ Industrial
- \_\_\_\_\_ Residential \_\_\_\_\_ Rental \_\_\_\_\_ Condo \_\_\_\_\_ Co-op
- \_\_\_\_\_ \_\_\_\_\_ Transitional Housing \_\_\_\_\_ Shelter

8. Project Size

Building Floor Area (Gross Square Footage) \_\_\_\_\_

Number of Stories \_\_\_\_\_

9. Project Activities (check all that apply)

- \_\_\_\_\_ Real estate acquisition
- \_\_\_\_\_ Building rehabilitation or construction
- \_\_\_\_\_ Leasehold improvements
- \_\_\_\_\_ Machinery & Equipment purchase

10. Project Costs

Real estate acquisition \$ \_\_\_\_\_

Construction \_\_\_\_\_

Related Soft Costs \_\_\_\_\_

Leasehold improvements \_\_\_\_\_

Machinery & equipment \_\_\_\_\_

TOTAL \$ \_\_\_\_\_

11. Proposed Funding

Construction:

<u>Source</u>	<u>Amount</u>
a)	\$
b) LEND	
c)	
d)	
e) Equity	_____
TOTAL	\$ _____

Permanent:

<u>Source</u>	<u>Amount</u>
a)	\$
b) LEND	
c)	
d)	
e) Equity	_____
TOTAL	\$ _____

12. Public Benefits Summary

Permanent jobs created or retained \_\_\_\_\_  
Housing units for low/moderate income residents \_\_\_\_\_  
Estimated new property taxes generated \_\_\_\_\_

ATTACH a map showing the location of the proposed project in Boston.

THE LEND PROGRAM

LOANS TO ENCOURAGE NEIGHBORHOOD DEVELOPMENT

APPLICATION  
FOR REAL ESTATE DEVELOPMENT PROJECTS

CITY OF BOSTON

RAYMOND L. FLYNN, MAYOR

PUBLIC FACILITIES DEPARTMENT

LISA G. CHAPNICK, DIRECTOR

LEND

APPLICATION

FOR

REAL ESTATE DEVELOPMENT PROJECTS

-INSTRUCTIONS-

This application is designed to be completed in conjunction with the program information and requirements described in the LEND Program Description document.

The entire application must be completed for each project. If a section, item, or form is not applicable for a particular project, please indicate this in the appropriate place with the notation, "NA". Incomplete applications will be returned to the applicant.

The completed application should be submitted to the LEND Administrator, Public Facilities Department, 10th Floor, 15 Beacon Street, Boston, MA 02108. Assistance may be obtained by calling the LEND Administrator at 720-4300 Extension 363.

Please submit two (2) copies of the application and include the following pages in the application.

LEND  
PROJECT SUMMARY

1. Applicant \_\_\_\_\_

2. Applicant Address \_\_\_\_\_  
\_\_\_\_\_

3. Applicant Phone \_\_\_\_\_

4. Project Name \_\_\_\_\_

5. Project Address \_\_\_\_\_  
\_\_\_\_\_

6. Ward \_\_\_\_\_ Parcel(s) \_\_\_\_\_

7. Project Type (check all categories that apply)

- \_\_\_\_\_ New Construction
- \_\_\_\_\_ Rehabilitation
- \_\_\_\_\_ Commercial \_\_\_\_\_ Office \_\_\_\_\_ Retail
- \_\_\_\_\_ Industrial
- \_\_\_\_\_ Residential \_\_\_\_\_ Rental \_\_\_\_\_ Condo \_\_\_\_\_ Co-op

8. Project Size

Building Floor Area (Gross Square Footage) \_\_\_\_\_  
Number of Stories \_\_\_\_\_

9. Project Activities (check all that apply)

- \_\_\_\_\_ Real estate acquisition
- \_\_\_\_\_ Building rehabilitation or construction
- \_\_\_\_\_ Leasehold improvements
- \_\_\_\_\_ Machinery & Equipment purchase

10. Project Costs

Real estate acquisition \$ \_\_\_\_\_  
Construction \_\_\_\_\_  
Related Soft Costs \_\_\_\_\_  
Leasehold improvements \_\_\_\_\_  
Machinery & equipment \_\_\_\_\_  
TOTAL \$ \_\_\_\_\_

11. Proposed Funding

<u>Source</u>	<u>Amount</u>
a)	\$
b) LEND	
c)	
d)	
e)	
	_____
TOTAL	\$ <u>_____</u>

12. Public Benefits Summary

Permanent jobs created or retained \_\_\_\_\_  
Housing units for low/moderate income residents \_\_\_\_\_  
Estimated new property taxes generated \_\_\_\_\_

ATTACH a map showing the location of the proposed project in Boston.

REQUEST FOR LEND FUNDS

1. Amount of PFD Loan Requested: \$ \_\_\_\_\_
2. Terms:
  - a. Interest rate \_\_\_\_\_
  - b. Loan term \_\_\_\_\_ (maximum 15 years)
  - c. Amortization period \_\_\_\_\_
3. Source of Repayment of LEND funds: \_\_\_\_\_
4. Use of LEND financing: \_\_\_\_\_
5. Date when actual disbursement of LEND funds to project is needed: \_\_\_\_\_



DEVELOPMENT TEAM

Project \_\_\_\_\_

	NAME AND ADDRESS	TELEPHONE
1. Developer	_____ _____ _____	_____
Contact Person	_____	_____
2. Contractor	_____ _____ _____	_____
3. Architect	_____ _____ _____	_____
4. Attorney	_____ _____ _____	_____
5. Management Agent	_____ _____ _____	_____
6. Marketing Agent	_____ _____ _____	_____

7. Syndicator \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
8. Other (as applicable, e.g.,  
Preservation  
Consultant,  
Bond Counsel, Financial  
Consultant, etc.): \_\_\_\_\_  
\_\_\_\_\_

Please ATTACH a current resume for each member of the development team, describing past experience and location of completed projects.

DEVELOPER'S STATEMENT OF QUALIFICATIONS  
AND FINANCIAL RESPONSIBILITY

Project \_\_\_\_\_

1. Is the developer a subsidiary of or affiliated with any other corporation or corporations or any other firm or firms:

Yes: \_\_\_\_\_ No: \_\_\_\_\_  
If yes, please attach explanation.

2. Attach to this statement a certified financial statement FOR EACH GENERAL PARTNER showing the assets and liabilities, including contingent liabilities, fully itemized in accordance with accepted accounting standards based on a proper audit. If the date of the certified financial statement precedes the date of this submission by more than six months, also attach an interim balance sheet not more than 60 days old.
3. If equity funds for the development of the project are to be from sources other than the developer's own funds, please include a statement of the developer's plan for raising this equity.
4. Names and addresses of bank references:

5. Has the developer or (if any) the corporation, or any subsidiary or affiliated corporation of the developer's officers or principal members, shareholders or investors, or other interested parties been adjudged bankrupt, either voluntary or involuntary, within the past ten years?

Yes: \_\_\_\_\_ No: \_\_\_\_\_  
If yes, give date, place, and under what name.

6. Please list all real estate holdings of the developer, its principals, subsidiaries, or affiliate corporations within the City of Boston and the mortgagees of these properties. Attach additional pages, if needed.

<u>Address</u>	<u>Ward Number</u>	<u>Parcel Number</u>	<u>Mortgagee</u>
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7. Please list all real estate holdings of the developer, its principals, subsidiaries or affiliate corporations, outside the City of Boston and the mortgagees of these properties. Attach additional pages, if needed.

PROPERTY INFORMATION

Project \_\_\_\_\_

1. Project Address \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2. ATTACH a plot plan of the site with boundaries clearly outlined.

3. Existing Building(s)

(a) Gross Square Footage of Floor Area \_\_\_\_\_

(b) Number of Stories \_\_\_\_\_

(c) Type of Construction (e.g., masonry, wood-frame, etc.)  
\_\_\_\_\_

(d) Age of Building(s) \_\_\_\_\_

4. Physical Condition of Site and Structures:

5. Existing Tenants. Please describe any existing tenants, the terms of their leases, and the need for relocation, if applicable.

6. Applicant's Site Control

Type of control

- a. Title Owner \_\_\_\_\_
- b. P & S \_\_\_\_\_
- c. Option \_\_\_\_\_
- d. Public Agency designation \_\_\_\_\_
- e. Other \_\_\_\_\_

Date \_\_\_\_\_

7. Acquisition price \$ \_\_\_\_\_

8. ATTACH firm evidence of site control.

9. Physical Constraints to Development

- (a) Flood Plain \_\_\_\_\_
- (b) Steep Slopes \_\_\_\_\_
- (c) Drainage channels \_\_\_\_\_
- (d) Unstable soil conditions \_\_\_\_\_
- (e) Other (describe) \_\_\_\_\_

10. Real Estate Taxes (for each parcel in this development)

- (a) Ward \_\_\_\_\_
- (b) Parcel Number \_\_\_\_\_
- (c) Current Assessed Value \_\_\_\_\_
- (d) Annual Tax Bill \_\_\_\_\_
- (e) Taxes owed by present owner \_\_\_\_\_
- (f) Date of last tax payment \_\_\_\_\_
- (g) Is the property in tax title? \_\_\_\_\_

(If "yes," describe arrangements with the City of Boston to resolve tax title problem).

11. Zoning

- (a) Zoning District \_\_\_\_\_
- (b) Is a zoning variance or other modification necessary for the proposed project? \_\_\_\_\_
- (c) Type of Zoning Variance \_\_\_\_\_
- (d) Date variance procedure was formally initiated \_\_\_\_\_

12. Additional Municipal Approvals Needed

Street closure or change in direction	_____
121 A Tax Agreement	_____
"8 of 58" Tax Abatement	_____
PFD Design Review	_____ X
Affirmative Marketing Plan	_____ X
Environmental Approval	_____ X
Historic Preservation Approval (Section 106)	_____
Building Permit	_____
Occupancy Permit	_____
Public Agency Conveyance of Title	_____
City Council Approval of Property Transfer	_____

PROJECT DESCRIPTION

Project \_\_\_\_\_

1. Building Description

(a) Rehabilitation:

	GROSS SQ. FT.	NET LEASABLE SQ. FT.	PROPOSED USE
Ground Floor	_____	_____	_____
Second Floor	_____	_____	_____
Third Floor	_____	_____	_____
Fourth Floor	_____	_____	_____
Fifth Floor	_____	_____	_____
Basement	_____	_____	_____
Total	_____	_____	

(b) New Construction:

	GROSS SQ. FT.	NET LEASABLE SQ. FT.	PROPOSED USE
Ground Floor	_____	_____	_____
Second Floor	_____	_____	_____
Third Floor	_____	_____	_____
Fourth Floor	_____	_____	_____
Fifth Floor	_____	_____	_____
Basement	_____	_____	_____
Total	_____	_____	

2. Projects with Housing Units: Specify the number of dwelling units in each appropriate category.

	Rehab	New Construction	Market Rate	Low/Mod Income	Rental	Condo	Co-
Studio							
1-Bedroom							
2-Bedroom							
3-Bedroom							
TOTALS							

3. On-site Parking

Number of parking spaces to be provided on site \_\_\_\_\_

Number of parking spaces required by zoning \_\_\_\_\_

4. ATTACH a site plan at an appropriate scale showing the building(s), proposed parking, circulation, open space, loading facilities, and adjacent streets and buildings.
5. ATTACH a conceptual floor plan for each building showing the proposed design for each floor level, at a minimum scale of 1/8" = 1'0".
6. ATTACH an elevation drawing of the proposed facade treatment.
7. ATTACH outline specifications for all work to be performed.
8. Description of Improvements. Please describe the nature of the proposed improvements, including demolition, site preparation, rehabilitation and/or new construction, parking improvements, site improvements and amenities. Please list the specific building components to be included, e.g., roof, windows, shell, level of interior renovation, new building systems, etc.

(attach additional  
page(s), if needed)



DEVELOPMENT PRO FORMA

PROJECT \_\_\_\_\_

	<u>Commercial</u>	<u>Industrial</u>	<u>Residential</u>	<u>Total</u>
<u>Acquisition Cost</u>	_____	_____	_____	_____
<u>Relocation Cost</u>	_____	_____	_____	_____
<u>Construction Cost</u>				
New (\$ /GSF)	_____	_____	_____	_____
Rehab (\$ /GSF)	_____	_____	_____	_____
Site Preparation & Demolition	_____	_____	_____	_____
Parking (\$ /GSF)	_____	_____	_____	_____
Site Improvements	_____	_____	_____	_____
Total	_____	_____	_____	_____
<u>Related Costs</u>				
Architect/Engineering	_____	_____	_____	_____
Legal	_____	_____	_____	_____
Accounting	_____	_____	_____	_____
Developer	_____	_____	_____	_____
Other Fees (please specify)	_____	_____	_____	_____
Construction Loan Interest (    months, @    % on \$            )	_____	_____	_____	_____
Real Estate Taxes (construction period)	_____	_____	_____	_____
Insurance	_____	_____	_____	_____
Title	_____	_____	_____	_____
Rent Up/Marketing	_____	_____	_____	_____
Total	_____	_____	_____	_____
<u>Contingency</u> (    % of \$            )	_____	_____	_____	_____
<u>Total Development Cost</u>	_____	_____	_____	_____

SOURCES AND USES OF FUNDS

Project \_\_\_\_\_

<u>SOURCE</u>	<u>AMOUNT</u>	<u>TERMS</u>	<u>USE*</u>
---------------	---------------	--------------	-------------

Equity\*\*

- 1.
- 2.
- 3.
- 4.

Permanent Financing

- 1.
- 2.
- 3.
- 4.

TOTAL DEVELOPMENT  
COST

---

Construction Financing

<u>SOURCE</u>	<u>AMOUNT</u>	<u>TERMS</u>	<u>USE*</u>
---------------	---------------	--------------	-------------

- 1.
- 2.

Bridge Financing

<u>SOURCE</u>	<u>AMOUNT</u>	<u>TERMS</u>	<u>USE*</u>
---------------	---------------	--------------	-------------

- 1.
- 2.
- 3.

\* Under USE, please identify the specific line item activity that will be funded from each source of dollars, for example: land acquisition, relocation, construction, professional fees, soft costs, etc.

\*\* If equity is to be raised by syndicating the project's federal tax benefits to limited partners, please ATTACH a letter from syndicator indicating the dollar amount of potential syndication proceeds and the fees to be involved.

PROJECT DEBT SERVICE

Project \_\_\_\_\_

Principal and Interest Payments

<u>Year</u>	1	2	3	4	5
<u>Loan</u>					
1.	_____	_____	_____	_____	_____
2.	_____	_____	_____	_____	_____
3.	_____	_____	_____	_____	_____
4.	_____	_____	_____	_____	_____
5.	_____	_____	_____	_____	_____
6.	_____	_____	_____	_____	_____
7.	_____	_____	_____	_____	_____
TOTAL	=====	=====	=====	=====	=====

\*Total debt service in each year should be identical to the debt service line item in LEND Form 10 Operating Pro Forma. If there is any difference, please explain on a separate page.

OPERATING PRO FORMA

Project \_\_\_\_\_

Year		1	2	3	4	5
<b>Commercial and Industrial Income</b>						
Office ( NSF @ \$ /NSF)		_____	_____	_____	_____	_____
Retail ( NSF @ \$ /NSF)		_____	_____	_____	_____	_____
Indus. ( NSF @ \$ /NSF)		_____	_____	_____	_____	_____
Parking( NSF @ \$ /NSF)		_____	_____	_____	_____	_____
<b>Residential Income</b>						
Unit						
Type	#	Rent/Month				
<b>GROSS POTENTIAL INCOME</b>						
<b>VACANCY</b>						
Office ( %)						
Retail ( %)						
Industrial ( %)						
Residential ( %)						
Total		( _____ )	( _____ )	( _____ )	( _____ )	( _____ )
<b>EFFECTIVE GROSS INCOME</b>						
<b>OPERATING EXPENSES</b> (cost to management)						
Management		_____	_____	_____	_____	_____
Maintenance		_____	_____	_____	_____	_____
Cleaning/Trash		_____	_____	_____	_____	_____
Heat		_____	_____	_____	_____	_____
Electric		_____	_____	_____	_____	_____
Insurance		_____	_____	_____	_____	_____
Legal & Accounting		_____	_____	_____	_____	_____
Water & Sewer		_____	_____	_____	_____	_____
Reserve		_____	_____	_____	_____	_____
Total		( _____ )	( _____ )	( _____ )	( _____ )	( _____ )
<b>REAL ESTATE TAXES</b>						
		( _____ )	( _____ )	( _____ )	( _____ )	( _____ )
<b>NET OPERATING INCOME</b>						
<b>DEBT SERVICE</b>						
		( _____ )	( _____ )	( _____ )	( _____ )	( _____ )
<b>CASH FLOW</b>						
		_____	_____	_____	_____	_____

HISTORIC LANDMARKS REVIEW

Project \_\_\_\_\_

Address \_\_\_\_\_

1. Landmark Status - Property is:

\_\_\_\_\_ Listed as an individual landmark on the National Register of Historic Places. Date of official listing \_\_\_\_\_.

\_\_\_\_\_ Eligible for listing as an individual landmark on the National Register of Historic Places. Who made this determination? \_\_\_\_\_

\_\_\_\_\_ Included within an existing or proposed historic district. Name of district \_\_\_\_\_.

\_\_\_\_\_ Of no known historic importance.

2. ATTACH a recent photograph of each facade of the building that borders a street.

3. Date of original construction of building(s) \_\_\_\_\_.

4. Briefly describe the proposed physical changes to the property, including demolition, exterior and interior renovation, and any new construction.



PUBLIC BENEFITS

Project \_\_\_\_\_

1. Primary Public Benefits

(a) Permanent Job Creation or Retention

<u>Title of Job</u>	<u>Number of Full-Time Jobs</u>	<u>Wage Level</u>	<u>Number of Half-Time Jobs</u>	<u>Wage Level</u>
---------------------	---------------------------------	-------------------	---------------------------------	-------------------

Identify those jobs that will be available to low- and moderate-income residents of Boston.

2. Economic Spin-Off: identify the additional private investment in the immediate neighborhood that is expected to occur if this project is implemented. Also, describe the importance of this project for the revitalization of the neighborhood.

3. Essential neighborhood services to be provided by this project:

4. Reuse of vacant or underutilized property:

5. Increase in tax base

Present taxes on this property \$	_____
Estimated new taxes	_____
Net taxes	_____

## REQUIRED ATTACHMENTS

In order to evaluate your Application, the following attachments to this application are necessary:

- (1) A map showing the location of the proposed project within Boston. (Form 1)
- (2) Current resume for each member of the development team. (Form 3)
- (3) Current resume and Certified Financial Statement for each general partner. (Form 4)
- (4) Firm evidence of site control. (Form 5)
- (5) Recent property appraisal, if available. (Form 5)
- (6) Site plan at an appropriate scale showing the building(s), proposed parking, circulation, open space, loading facilities, and adjacent streets and buildings. (Form 6)
- (7) Conceptual floor plan for each building showing the proposed design for each floor level, at a minimum scale of 1/8" = 1'0". (Form 6)
- (8) Elevation drawing of the proposed facade treatment. (Form 6)
- (9) Outline specifications of all work to be performed. (Form 6).
- (10) Preliminary estimate of construction costs from the proposed contractor, including a detailed cost breakdown and outline specifications. (Form 7)
- (11) A letter of interest or commitment from each private and public source of equity, grants, or loans to this project identified in LEND Form 8. These letters should state the terms and conditions of said financing. (Form 8)
- (12) A letter from a syndicator stating the amount of equity that can be raised from limited partners and the amount of fees to be involved (only if the project's tax benefits are to be syndicated). (Form 8)
- (13) Recent photograph of each street facade of the building(s). (Form 11)
- (14) Evidence that the project can be leased at the rent levels projected. (Form 12)

A firm financing commitment will be required from the primary lender prior to final commitment of LEND funds.



CERTIFICATION

The undersigned hereby represents and certifies to the best of his/her knowledge and belief that the information contained in the foregoing Application and any exhibits or attachments hereto is true and complete and accurately describes the proposed Project, and agrees to promptly inform PFD of any changes in the proposed project which may occur.

Company: \_\_\_\_\_

By: Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

If the Project is to be held through a realty trust, partnership or any entity other than the above Company, please execute below.

Sponsor: \_\_\_\_\_

By: Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



TO: Anyone Who Can Use This Information

Note: this memo was originally written for use by Caritas Communities, Inc., a non-profit housing development organization in Quincy, MA which develops and manages single room occupancy buildings.

FROM: Michael R. Lapham

DATE: May 17, 1989

RE: McKinney Act Section 8 Moderate Rehabilitation SRO Program

The Section 8 Moderate Rehabilitation Assistance Program for Single Room Occupancy Dwellings for Homeless Individuals, established under Section 441 of the Stewart B. McKinney Homeless Assistance Act (Pub. L. 100-77; 7/27/87), provides rental assistance to homeless individuals in rehabilitated SRO housing.

The cost of the rehabilitation must be between \$1,000 and \$14,300 per unit (including a pro rata share of costs of common areas) and the Davis-Bacon Act wages apply to buildings of nine or more assisted units. Pursuant to certain amendments made in the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (Pub. L. 100-628; 11/7/88), SRO assistance may now be provided to efficiency units containing food preparation and sanitary facilities. Rent for any unit under the SRO program is 75% of the 0-bedroom Mod Rehab Fair Market Rent, which is currently \$420 in the Boston PMSA (.75 x \$560 = \$420). Note: The program cannot be used with any other assistance under the Housing Act of 1937 (e.g. Section 8 Certificates, PBA, LMSA, Rental Rehab).

The Department of Housing and Urban Development-Independent Agencies Appropriations Act, 1989 (Pub. L. 100-404; 8/19/88) appropriated \$45 million to assist approximately 1,200 units nationwide. No more than 10% of this appropriation (120 units, or \$4.5 million) may go to any one city or urban county. This is equivalent to \$450,000 in contract authority per year for ten years.

PFD submitted an application for \$450,000 of annual contract authority on behalf of the Boston Housing Authority prior to the April 10, 1989 deadline. A Federal Register notice dated April 18, 1989 extended the deadline for such applications from April 10, 1989 to May 17, 1989.

I spoke with Bob Gehret at PFD, who is the person in charge of tracking the progress of federal housing legislation, including the McKinney Act amendments and funding. He told me that as part of PFD's application, PFD had to specify the buildings that would receive the funding. The specified projects were those which PFD deemed most competitive in meeting the HUD

ranking criteria, which include: site control, zoning approval and community support, number of vacant units in the property, readiness to proceed, and rehabilitation cost per unit. These projects total over 120 units, and depending on the amount of funding needed per unit, the City may receive funding authority for slightly more than 120 units. The projects submitted are from both for-profit and non-profit organizations.

Projects included in the program must be ready to execute an Annual Contributions Contract (ACC) with HUD within 6 months. If PFD were to add any projects to its submission, such projects would have to be stronger than the projects already in the application. In addition, any such project would be subject to the federal environmental review by HUD that is already under way for the projects submitted. This would weaken the entire application.

Bob expects that there may be a second funding round in FY 89 if a supplemental appropriation under the McKinney Act is passed. An appropriations bill was recently submitted but not approved, and will be resubmitted with some amendments. In addition, he expects that there will be another funding round for FY 90 around October of this year.

When PFD hears of HUD fund availability, PFD notifies the Shelter Commission (Ann McGuire, 725-4507), which in turn notifies those organizations on its mailing list that might be interested in using the funds. Bob said he thought Caritas was on that list, but we should check on that since you apparently did not receive any specific notification regarding this competition.

Bob said that to his knowledge the only available funding sources for projects of our type are Section 8, Chapter 707, the LEND Program, the City's Linkage Program, and the Rental Rehabilitation Program. The Rental Rehab program is apparently geared toward two- and three-bedroom units, and could only be used for a small number of SRO units.

In general, McKinney Act funding is only useful for housing homeless individuals, or in some cases those at risk of becoming homeless. The less "homeless" the tenant population to be served, the more justification needs to be provided for why the funds should be made available to the project.

Note that the City of Quincy is also eligible to submit an application for the Mod Rehab SRO funding, but the track record of the Housing Authority especially its experience, if any, with the Mod Rehab program, is heavily weighted in the application process. I have not made any contact with the City of Quincy regarding its efforts, if any, with regard to this program.

Mod Rehab SRO Program (From follow-up memo 6/16/89)

With regard to the rent under the McKinney Act Section 8, Mod Rehab SRO Program, he said that the base rent before applying the 75% factor is based on 120% of the regular Section 8 rents. Thus, the current SRO Rent is:

$$(\$560 \times 120\% = \$672) \times 75\% = \$504.$$

Depending on the amenities provided, the rent may be anywhere between \$504 and \$672 per month.

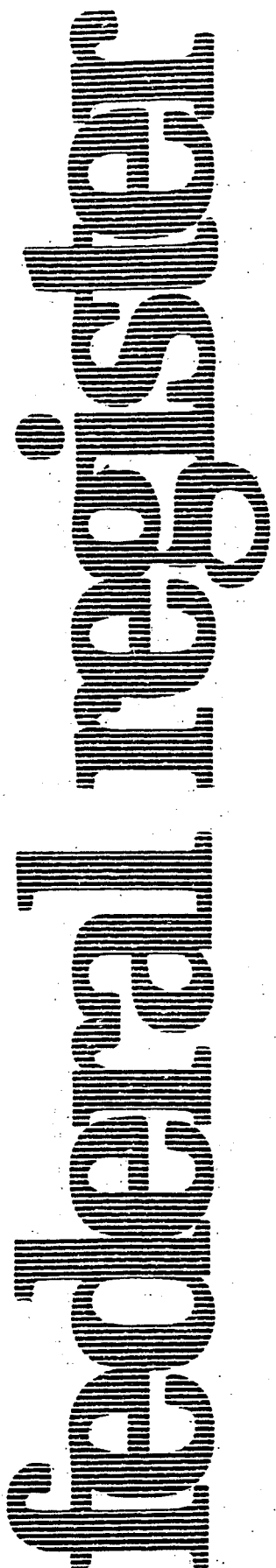
With respect to an application form for the SRO Program, he said that there is currently no such form. The BHA made certain requests to applicants for the information that they wished to have submitted, and Janet Van Zandt did some standardizing of the applications before they were submitted, but there is no HUD, BHA, or PFD form at the present time.

Bob said that the awards from the current round have been promised some time in July. Depending on how quickly Congress acts on the budget, there will be another round somewhere between late summer and mid-fall. Congress has agreed on the overall budget figures, but needs to work out some of the specifics for individual programs. If Congress acts on the McKinney Act within two to three weeks, the President will probably sign the bill by mid to late July. HUD could then issue a Notice of Fund Availability within 30 to 60 days from that date. The previous funding round was held up considerably because of statutory changes made when the McKinney Act was reauthorized last summer. However, this year is an appropriation year only (not a reauthorization year), so the process should move more smoothly.

With respect the use of the Mod Rehab SRO Program with other programs, Bob reiterated that the program cannot be used with any assistance under the Housing Act of 1937, including the Rental Rehab Program and any Section 8-related programs. The only other Federal money that could be used in conjunction with this program is CDBG money, which is not authorized under the Housing Act of 1937.

With respect to tenant selection, he was not able to give any definitive answer. He said that the BHA needs to come up with a plan for tenant selection, but it is unclear what such a plan will look like. Individual plans will most likely end up being negotiated on a case-by-case basis as in the 707 Program.

2608Y/90



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Monday  
January 9, 1989

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**Part II**

**Department of  
Housing and Urban  
Development**

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Office of the Assistant Secretary for  
Housing—Federal Housing Commissioner

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24 CFR Parts 840 and 841  
Supportive Housing Demonstration  
Program; Notice of Changes to Final  
Rule and Notice of Funds Availability and  
Proposed Rule



**DEPARTMENT OF HOUSING AND  
URBAN DEVELOPMENT**

Office of the Assistant Secretary for  
Housing—Federal Housing  
Commissioner

24 CFR Parts 840 and 841

[Docket No. N-89-1903; FR 2581]

**Supportive Housing Demonstration  
Program**

**AGENCY:** Office of the Assistant  
Secretary for Housing—Federal Housing  
Commissioner, HUD.

**ACTION:** Notice of changes to final rule  
and notice of funds availability.

**SUMMARY:** Title IV, Subtitle C, of the Stewart B. McKinney Homeless Assistance Act (Pub. L. 100-77, approved July 22, 1987) (McKinney Act) authorizes the Supportive Housing Demonstration program. The program makes assistance available for projects providing housing and supportive services for homeless persons in the forms of transitional housing to facilitate the movement of the homeless to independent living and permanent housing to assist handicapped homeless persons to live more independent lives. On June 24, 1988, HUD published the final rule governing the Supportive Housing Demonstration program (53 FR 23898). The Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (Pub. L. 100-628, approved November 7, 1988) (1988 Amendments Act) made several amendments to the program. This Notice announces the changes to the program as a result of the 1988 Amendments Act and solicits public comments on the changes. The June 24, 1988 final rule, as amended by this Notice, will govern the program until a revised final rule is published. This Notice also announces the availability of \$89.6 million in funds for transitional housing assistance and \$15 million in funds for permanent housing assistance.

**DATE:** *Effective Date:* January 9, 1989.

*Comments Due:* March 27, 1989.  
Applications due by March 30, 1989  
(transitional housing) and April 27, 1989  
(permanent housing).

**ADDRESS:** Interested persons are invited to submit comments regarding the changes to the regulations announced in this Notice to the Rules Docket Clerk, Office of the General Counsel, Room 10276, Department of Housing and Urban Development, 451 Seventh Street SW., Washington, DC 20410. Communications should refer to the above docket number and title. A copy

of each communication submitted will be available for public inspection during regular business hours at the above address. Copies of the final rule described in the Summary are available at the above address upon request.

**FOR FURTHER INFORMATION CONTACT:** Morris Bourne, Director, Transitional Housing Development Staff, Room 9140, Department of Housing and Urban Development, 451 Seventh Street, SW., Washington, DC 20410, telephone (202) 755-9075. Hearing or speech-impaired individuals may call HUD's TDD number (202) 755-6490. (These phone numbers are not toll-free.)

**SUPPLEMENTARY INFORMATION:**

**Paperwork Reduction Act Statement**

The information collection requirements for the Supportive Housing Demonstration Program were submitted to the Office of Management and Budget (OMB) for review under the Paperwork Reduction Act of 1980 and were approved on July 1, 1988 and assigned OMB control number 2502-0361. As a result of changes to the program made by the 1988 Amendments Act, revised information collection requirements, which are described in this Notice, were submitted to OMB for review and approved on December 30, 1988 under the same control number. Public reporting burden for each of these collections of information is estimated to include the time for reviewing the instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Information on the estimated public reporting burden is provided under the heading *Other Matters*. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Department of Housing and Urban Development, Rules Docket Clerk, Room 10276, 451 Seventh Street SW., Washington, DC 20410, and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503.

**I. Background**

The McKinney Act authorized the Supportive Housing Demonstration program. The program is designed to develop innovative approaches to providing housing and supportive services to the homeless. It consists of two components: (1) Transitional housing to facilitate the movement of homeless persons to independent living (transitional housing) and (2) permanent housing to assist handicapped homeless

persons to live more independent lives (permanent housing).

HUD published a final rule governing the two components on June 24, 1988 (53 FR 23898) (24 CFR Part 840 (transitional housing) and Part 841 (permanent housing)). The 1988 Amendments Act made several changes in both programs and directed HUD (1) to publish a Notice within 60 days of enactment to establish the requirements necessary to implement those changes for immediate effect, and (2) to adopt a final rule within 12 months of enactment.

Parts III and IV of this Notice describe the changes in the two programs as a result of the 1988 Amendments Act. These changes will be effective immediately for the funding round announced in this Notice. The June 24, 1988 final rule, as modified by this Notice, constitutes the requirements for the programs until a final rule governing them takes effect. HUD invites the public to comment on the changes contained in this Notice to form a basis for amending the final rule.

This Notice also announces the availability of \$89.6 million in funds for transitional housing and \$15 million in funds for permanent housing, and solicits the submission of applications for the programs. Application deadline dates are March 30, 1989 for transitional housing, and April 27, 1989 for permanent housing. Applicants for projects to be located in Federally-designated enterprise zones are encouraged to apply. (See 53 FR 30944 (Aug. 16, 1988) and 53 FR 48638 (Dec. 2, 1988). Sections V and VI of this Notice contain information on the submission of applications.

**II. Comprehensive Homeless Assistance Plan**

Under both the transitional housing program and the permanent housing program, assistance may not be provided to or within the jurisdiction of a State or an ESG formula city or county (defined in 24 CFR 840.5 and 841.5), unless the jurisdiction (or jurisdictions, where necessary) has a HUD-approved Comprehensive Homeless Assistance Plan (CHAP). In addition, supportive housing applications must contain a certification from the appropriate CHAP jurisdiction that the proposed project is consistent with the CHAP. (See §§ 840.150, 840.210(b)(4)(v)(B), 841.150, and 841.210(b)(4)(v)(B).)

On December 28, 1988, HUD published a Federal Register Notice announcing the current requirements for HUD approval of a CHAP as a result of the 1988 Amendments Act (53 FR 52600). Applicants are encouraged to familiarize



themselves with the CHAP requirements.

### III. Changes in the Transitional Housing Program

The 1988 Amendments Act made the following changes in the transitional housing program (24 CFR Part 840):

1. *Definition of Project.* Section 441(a) of the 1988 Amendments Act redefines the term "project" to include those structures or portions of structures used for transitional housing that receive operating costs assistance or technical assistance only. This amendment does not require a change in the final rule. The definition of "project" in § 840.5 is not limited to transitional housing programs that receive operating costs assistance or technical assistance in connection with acquisition or rehabilitation assistance.

In addition, under § 840.100(b), applicants may receive operating costs assistance independent of acquisition or rehabilitation assistance. Technical assistance is only available in connection with another form of transitional housing assistance, but it is not tied to acquisition or rehabilitation activities, since it may be used with operating costs assistance alone.

Thus, operating costs will continue to be eligible for funding in their own right. As provided in the final rule, technical assistance will be available, but only in connection with another form of transitional housing assistance.

2. *Availability of Operating Costs Assistance and Technical Assistance for New Structures.* Sections 441 (b) and (c) provide that operating costs assistance and certain types of technical assistance may be made available for transitional housing, without regard to whether the housing is an existing structure. This change will allow a project with a structure not yet completed to receive operating costs assistance and technical assistance without also receiving acquisition or rehabilitation assistance. However, no assistance may be provided for the construction of structures, with the limited exception discussed in III.3.

In addition to compliance with the criteria set out in § 840.115 on funding for annual operating costs, an applicant for operating costs assistance for a transitional housing project involving a structure not yet completed must provide reasonable assurance that construction will be completed within nine months following notification of an award of a grant for operating costs. ("Notification" of an award means the date of the letter from HUD to the applicant notifying the applicant that its application for assistance has been

approved.) Reasonable assurance may be satisfied by submission of the following:

- (a) Plans and specifications for the purposed structure;
- (b) Evidence that construction financing has been obtained; and
- (c) A copy of the construction contract for the proposed structure containing the terms and conditions with regard to cost and date of completion.

HUD may deobligate an award for operating costs and technical assistance if the construction has not been completed within nine months following notification of the award.

For transitional housing projects in structures not yet completed, technical assistance will be offered only in connection with an award of operating costs assistance. Under section 441(c), technical assistance for a structure not yet completed may be available in *operating* transitional housing and *providing supportive services* to the residents of transitional housing. Technical assistance in *establishing* transitional housing is available only in connection with existing structures. A description of technical assistance offered to recipients is contained in § 840.120. Since technical assistance does not involve a grant of funds, HUD will continue to provide technical assistance only through HUD offices. As a conforming change, the language in § 840.5 limiting a transitional housing "project" to "existing" structures will be deleted.

3. *Availability of Grant for Limited New Construction.* Section 449(b) authorizes an advance for new construction in limited circumstances. Under § 840.125(d), assistance for transitional housing may not be used for new construction of housing. Section 449(b) will allow an advance for new construction only if the Secretary finds that the project:

- (a) Involves the cooperation of a city and a State university;
- (b) Has the land donated by a State university;
- (c) Proposes a supportive housing structure of at least 10,000 square feet; and
- (d) Proposes a model supportive housing project with a comprehensive support system, including health services, job counseling, mental health services, and housing assistance and advocacy.

Where the proposed site for a new construction advance is located in a wetland, the procedures required by Executive Order 11990, Protection of Wetlands, must be undertaken before any decision is made on the environmental acceptability of the

project site for assistance. These procedures are identical to the procedures under Executive Order 11968, Floodplain Management (see III.14). If a proposed new construction site is in a floodplain and a wetland, a single procedure will be carried out under both Executive Orders.

4. *Maximum Period of Residence.* Section 443 provides for the movement of residents of transitional housing to independent living within 24 months, or for a longer period determined by the Secretary as necessary to facilitate the transition. The definition of transitional housing in § 840.5, which specifies that the maximum period of residency is not to exceed 18 months for any individual, will be amended to comport with section 443. This change affects only the maximum period of residency; the requirements of § 840.325 with regard to resident discharge are not affected.

This amendment provides recipients more flexibility for assistance programs, which is sometimes necessary given the broad range of homeless populations that are served by transitional housing projects. HUD will make determinations to exceed the 24-month period on a project-by-project basis. Recipients must apply to HUD at least 90 days before the 24-month residency period expires for a waiver of the 24-month residency requirement, explaining the circumstances that necessitate the longer period.

5. *Use of Acquisition/Rehabilitation Advances to Repay Debt.* Section 445 provides that advances for acquisition/rehabilitation may be used to repay any outstanding debt on a loan made to purchase an existing structure for use as supportive housing. An advance may be used for this purpose only if the structure was not used as supportive housing before the receipt of assistance.

An applicant for an acquisition/rehabilitation advance that intends to use the advance to repay an outstanding debt on a loan made to purchase an existing structure must provide the following information and documentation as a part of the application for the advance:

- (a) A copy of the contract of sale;
- (b) A copy of the loan agreement, mortgage agreement, or deed of trust;
- (c) Documentation showing the purpose of the loan;
- (d) Documentation of the balance owed on the loan, mortgage, or deed of trust; and
- (e) Certification that the structure has not been used as supportive housing before the receipt of assistance.

This provision is made applicable by the 1988 Amendments Act of all future



applicants, as well as to any recipients that were notified of awards on or after November 1, 1987 whose funds were later deobligated by HUD upon learning of the recipient's intent to use the funds to repay a debt made to purchase the structure.

6. *Limitation on Grants for Moderate Rehabilitation.* Section 446 sets a cap of \$200,000 on grants for moderate rehabilitation. Under § 840.110, a grant for moderate rehabilitation of an existing structure was limited to the lowest of (a) \$100,000; (b) the project limit (see § 840.110(b)(2)); or (c) 50 percent of the cost of rehabilitation. The amount in (a) will now be \$200,000; (b) and (c) will be unchanged. (See III.7 for the special circumstances under which a grant in excess of \$200,000 may be available.)

7. *Raised Limits on Advances for Acquisition/Rehabilitation and Grants for Moderate Rehabilitation.* Section 449(a) authorizes the Secretary to raise the limits on advances for acquisition/rehabilitation or grants for moderate rehabilitation from \$200,000 to \$400,000 in areas determined by the Secretary to have high acquisition and rehabilitation costs. HUD will consider applications for amounts above \$200,000 from applicants in geographic areas determined by the Secretary to have costs that exceed the statutory limits of section 202 of the Housing Act of 1959 (12 U.S.C. 1701g) by at least 75 percent. (A list of these geographic areas is included in the application package. Applicants may also obtain a list of the areas from HUD Field Offices.) All requirements with regard to matching funds are applicable to increased advances or grants.

8. *Eligible Assistance.* Section 447 provides that a recipient may receive both an advance for acquisition/rehabilitation and a grant for moderate rehabilitation under one application. Under § 840.100(b), assistance was limited to either an advance for acquisition/rehabilitation or a grant for moderate rehabilitation. HUD anticipates that applicants for both types of assistance will use the advance for acquisition of a structure and the grant for rehabilitation of the structure.

9. *Employment Assistance Programs.* Section 448 authorizes a new type of assistance in transitional housing—grants for establishing and operating employment assistance programs (EAP). Grants will be available for up to 50 percent of the cost of establishing and operating an EAP for residents for one year, and for up to 50 percent of the cost of operating an EAP for up to four additional years. Upon approval of an application requesting assistance for an

EAP, HUD will obligate amounts for the period sought, not to exceed five years. The funding level for the first year will not exceed the recipient's estimate of the cost of establishing and operating the EAP for the first year, less the recipient's matching contribution. The funding level for each of the next four years will not exceed the recipient's estimate of the costs of operating the EAP for the first year, less the recipient's annual matching contribution. (See § 840.130 for matching requirements and III.11 for amendments to the matching requirements by the 1988 Amendments Act.)

Recipients are free to develop their own EAP, but to qualify for assistance, the program must provide for at least the following:

(a) Employment of residents in the operation and maintenance of the transitional housing; and

(b) Where necessary and appropriate, payment of reasonable transportation costs of residents to places of employment outside the transitional housing.

Salaries paid to resident employees may be included as an operating cost of an EAP. The cost of transportation for residents to places of employment outside the transitional housing is allowable as an operating cost of an EAP. Transportation costs must not exceed the cost of public transportation. If public transportation is not available, other transportation costs, subject to approval by HUD, may be substituted.

Amounts obligated for an EAP grant are subject to the same rules as amounts obligated for operating costs grants with regard to deobligation. Those rules are set out in § 840.400.

The extent to which an applicant has an EAP, whether assisted by HUD or not, will be a ranking criterion in the competition with other applicants, as described in III.12.

10. *Site Control.* Section 450 provides that an application for assistance must furnish reasonable assurances that the applicant will own or have control of a site for the proposed project not later than six months after notification of an award for grant assistance. Under the final rule at § 840.210(b)(4)(iv)(A), applicants were required to demonstrate control of a site at the time of the application for assistance. This change in the rule will permit approval of applications from projects that are not able to gain control of a site until they have been notified of an assistance award. Reasonable assurance must be satisfied by identification of a suitable site (a suitable site is one that meets the requirements of §§ 840.210 and 840.330 applicable to sites) and:

(a) Certification that the applicant is engaged in negotiations or in other efforts for the purpose of gaining control of the identified site; or

(b) Other evidence satisfactory to HUD showing that the applicant will gain control of the identified site.

Although section 450 authorizes an award of assistance to applicants that do not have site control, it also provides that the extent to which an applicant has control of a site upon application for assistance will be a ranking criterion in the competition with other applicants, as described in III.12.

Section 450 also provides that an applicant may obtain ownership or control of a suitable site different from the one specified in its application. Retention of an assistance award is subject to the new site's meeting all requirements for suitable sites. If the acquisition or rehabilitation costs for the substitute site are more than the amount of the advance or grant, the recipient must furnish all additional costs. If the recipient is unable to demonstrate to HUD that it is able to furnish the difference in costs, HUD may cancel or recapture the obligated funds and reallocate the funds to other projects.

If a recipient does not have control of the site within one year after notification of an award for assistance section 450 requires HUD to cancel or recapture the obligated funds and reallocate the funds to other projects.

This provision applies to all future applicants for assistance under 24 CFR Part 840, as well as to any recipients that were notified of awards on or after November 1, 1987 and whose funds were later deobligated by HUD upon learning that the recipient no longer had ownership or control of the site specified in its application or that the recipient wanted to change to a site different from the site specified in its application.

11. *Matching Requirements.* Section 452 revamps the categories that may be used to satisfy the program's matching requirements. Under § 840.130, the only "in-kind" contributions that could be counted toward the match were contributions of materials or structures. Section 452 specifically makes eligible, for matching purposes, the value of time and services contributed by volunteers to carry out the recipient's transitional housing program, at a rate determined by HUD. Thus, applicants may count volunteer contributions of time and services toward the required match. Consistent with the Emergency Shelter Grants program, these contributions will be valued at \$5.00 per hour (see 24 CFR 576.71(b)).

Section 452 also specifies that the salaries paid (1) to staff to carry out the grantee's transitional housing program and (2) to residents of transitional housing under an EAP (see III.9) may be counted toward the match. The Department will recognize these salaries to the extent they are paid from sources other than a Federal assistance program, including the transitional housing program. To permit Federal assistance both to pay staff and resident salaries and to be counted toward the match is an inappropriate double-counting of the amounts involved and dilution of the purpose of the program's matching requirements.

Consistent with § 840.130(b), volunteer time and services, and staff and resident salaries, will be included in the matching calculation for the type of assistance to which the contribution relates. For example, if volunteers assist in the rehabilitation of the structure, the contribution will be calculated as a match for rehabilitation assistance. If outside service providers donate supportive services or if volunteers assist in administration of the program, the value of their services will be calculated as a match for operating costs. Salaries paid to residents under an EAP may be calculated as a match for grants for establishing and operating, or operating, the EAP, and staff salaries may be calculated as a match for operating costs assistance.

Other sources for matching funds recognized by HUD under § 840.130 are:

- (a) State or local agency funds;
- (b) Contributions of materials (§§ 840.130(c)(2)(i) and (ii));
- (c) Contribution of a fee ownership in a structure (§ 840.130(c)(2)(iii));
- (d) Contribution of a leasehold interest in a structure (§ 840.130(c)(2)(iv)); and the extent of the fair rental value of the structure;
- (e) Rental income paid by residents of transitional housing under § 840.320 (§ 840.130(g)).

12. *Ranking Criteria.* The 1988 Amendments Act authorizes two additional criteria to be included in the ranking criteria described in § 840.215(b). Section 448 provides for the inclusion of the extent to which a proposed project contains an employment assistance program meeting the requirements described in III.9, and section 450 provides for the inclusion of the extent to which an applicant has control of the site of the proposed project.

(a) *Employment Assistance Program.* In assessing an application under this factor, HUD will award the most points to applications that demonstrate that:

(1) The transitional housing will have an employment assistance program providing for:

(i) The employment of all residents either in the operation and maintenance of the housing or outside the housing, except where they are participating in a job training program, are actively seeking employment, or are unable to obtain employment due to disabilities (including mental disabilities) or other causes; and

(ii) The payment of the full transportation costs of the residents to places of employment outside the housing, where such payment is necessary and appropriate.

(2) The employment assistance program is operated with funds that are obtained from sources other than the Supportive Housing program and that have not been used as part of the applicant's matching contribution.

(b) *Site Control.* In assessing an application under this factor, HUD will award the most points to the applicant that demonstrates that:

(1) The applicant owns or has a contract of sale for the site at the time of the application;

(2) The applicant has a lease for the site for a period of 10 years from the date of the application;

(3) The applicant has an option to purchase the site at the time of the application; or

(4) The applicant has an option to lease the site for a period of 10 years from the date of the application.

13. *Environmental Review.* Section 443 provides that the provisions of, and regulations and procedures applicable under, section 104(g) of the Housing and Community Development Act of 1974 (42 U.S.C. 5304(g)) shall apply to assistance and projects under Title IV of the McKinney Act. Section 104(g) provides that, in lieu of the environmental protection procedures otherwise applicable, the Secretary may provide for the release of funds for particular projects to grantees who assume all the responsibilities for environmental review, decisionmaking, and action under the National Environmental Policy Act of 1969 (42 U.S.C. 4321) (NEPA) and the other provisions of law specified by the Secretary that would apply to the Secretary were the Secretary to undertake such projects as Federal projects. HUD regulations implementing section 104(g) are found in 24 CFR Part 58, and the Secretary has specified the other provisions of law under which environmental responsibilities are to be assumed by grantees in 24 CFR 58.5. (These authorities include the floodplain restrictions discussed in III.14.)

As applied to transitional housing, the Department views section 443 as authorizing the Secretary to require States, metropolitan cities, urban counties, tribes, or other governmental entities with general purpose governmental powers to assume the responsibility for assessing the environmental effects of each application for assistance in accordance with the procedural provisions of NEPA, the related environmental laws and authorities, and HUD's implementing regulations in 24 CFR Part 58. In accordance with the new statutory authorization, the Department will, in connection with future transitional housing advances or grants, provide for assumption of these responsibilities by jurisdictions with general governmental powers whenever they are deemed to have the legal capacity to assume the responsibilities. This policy will *not* be applied to advances or grants made to governmental entities with *special* or *limited purpose* powers or to *private nonprofit organizations*. HUD will continue to perform the environmental review for these entities, in accordance with 24 CFR Part 50, to the extent required. Relevant reviews completed for purposes of another McKinney Act program or other HUD programs may suffice for purposes of transitional housing, where permitted under Part 58.

An applicant with general purpose governmental powers that believes that it does not have the legal capacity to carry out the environmental responsibilities required by 24 CFR Part 58 should contact the appropriate HUD Field Office for further instructions. Determinations of legal capacity will be made on a case-by-case basis.

With respect to applications for which the applicant will be responsible for performing the environmental review under section 104(g) and 24 CFR Part 58, the environmental review process will be independent of the threshold review and ranking process, and the applicant may complete the environmental review after those processes and after selection for funding. Therefore, § 840.210(b)(7) will not apply to those applications and HUD will not consider environmental impacts or time delays associated with mitigation measures for such proposals in ranking such applications. Similarly, since under § 840.210(b)(7), an application that requires an Environmental Impact Statement (EIS) will not pass threshold review and, therefore, will not be eligible for assistance, this provision will be applied only to the applications for which HUD performs the environmental review. HUD will not enforce this provision

where the applicant performs the environmental review and, after finding that an EIS is necessary, chooses to prepare the EIS.

On August 10, 1988, HUD amended its environmental regulations at 24 CFR Parts 50 and 58 to exclude certain activities under HUD homeless assistance programs from the NEPA requirements of Parts 50 and 58 (53 FR 30168). (The amendments were published in conjunction with HUD's final rule governing the Emergency Shelter Grants Program.) These "categorical exclusions" from NEPA review are for activities that HUD believes lack potential significant effect on the human environment. Specifically, the activities consist of such services as health, substance abuse and counseling services, the provision of meals and payment of rent, utility and maintenance costs, and similar activities that do not involve physical change to buildings or sites. Environmental review focuses on new site selection and physical development activities such as construction, property rehabilitation, renovation, and conversion. Although the activities described above and certain other activities may be categorically excluded from the NEPA requirements, they are not excluded from the individual compliance requirements of other environmental statutes, executive orders, and HUD standards listed in §§ 50.4 and 58.5, where applicable. However, activities consisting solely of supportive services and software normally do not require environmental review under NEPA or the related authorities if they do not directly require physical development or site selection (i.e., use of a building not previously used for purposes of this program). Such activities that trigger neither NEPA nor the related authorities are defined as "exempt" under Part 58. Where applicants exercise environmental review under section 104(g) and Part 58, procedures for applicant submission of environmental certifications and Requests for Release of Funds apply to new site selections and the funding of physical development activities. These procedures do not apply to activities that are determined and documented to be "exempt."

Applicants and grantees are cautioned that under section 104(g), HUD may not release transitional housing funds for a project if the grantee, a subgrantee, or another party commits transitional housing funds (i.e., incurs any costs or expenditures to be paid for, or reimbursed with, such funds) before the grantee submits its request

for release of transitional housing funds to HUD.

**14. Floodplain Restrictions.** Section 451 of the 1988 Amendments Act requires that the flood protection standards for housing acquired, rehabilitated, or assisted with Supportive Housing Demonstration funds may be no more restrictive than those applicable under Executive Order 11988, Floodplain Management (May 24, 1977) to the other programs under Title IV of the McKinney Act. Therefore, the restrictions with respect to location of projects in floodplains contained in the final rule at § 840.210(b)(4)(iv)(C) no longer apply to projects assisted under the transitional housing program. HUD interprets section 451 to mean that, for projects located in floodplains, the eight-step process of public notification and decisionmaking outlined in the U.S. Water Resources Council Floodplain Management Guidelines (43 FR 6030, February 10, 1978) must be undertaken before any decision is made on the environmental acceptability of the project site for homeless assistance. Grantees will perform the eight-step process during the environmental review process, whenever they assume other environmental review responsibilities (see III.13).

The eight-step process applies to all applications for projects within the 100-year floodplain and, for critical actions, the 500-year floodplain. Critical actions are defined as those projects intended to serve developmentally disabled, chronically mentally ill, or mobility impaired residents. Applicants with proposed projects located in a floodplain should be aware that the public notification and decisionmaking process takes a minimum of 30 days from the time the first published notice in the process appears. Where HUD will carry out the process, applicants may be required to provide engineering and structural information (e.g., elevations and data) in order to permit HUD to undertake its analysis. If HUD is unable to make a floodplains determination within 60 days from the date it publishes the first notice (where HUD has the responsibility for carrying out the eight-step process), and the applicant has not provided the HUD-requested information in a timely manner, the application will be rejected.

Executive Order 11988 requires HUD or the applicant (where it assumes environmental review responsibilities in III.13) to consider alternatives to avoid adverse impacts associated with the occupancy and modification of floodplains. The alternatives may include actions resulting in less risk to

human life or property. The review process may result in specific mitigation requirements or rejection of the site or application for assistance. As part of the eight-step process, HUD or the applicant must reevaluate alternatives to projects sites located in floodplains and, where HUD performs the process, HUD will assign a higher environmental rating to applications with less hazardous sites. If, after initial approval, an applicant changes the site, any new site will be subject to a complete environmental review, including, as applicable, the eight-step public notification and decisionmaking procedure for sites located in floodplains.

The Flood Disaster Protection Act of 1973 (42 U.S.C. 4001-4128) and HUD regulations prohibit the approval of applications for projects/sites located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, unless: (1) The community in which the area is situated is participating in the National Flood Insurance Program (not suspended or withdrawn) (see 44 CFR Parts 59-79) or less than a year has passed since FEMA notification regarding such hazards; and (2) flood insurance is obtained as a condition of approval of the application.

Applicants with projects/sites (determined through the eight-step process to be environmentally acceptable) that are located in an area that has been identified by FEMA as having special flood hazards will be required to obtain and maintain flood insurance under the National Flood Insurance Program. This is a separate requirement from the Executive Order 11988 procedures, and the availability of flood insurance does not satisfy the eight-step public notification and decisionmaking procedures of the Floodplain Management Guidelines.

**15. Drug- and Alcohol-Free Facilities.** Section 402 of the 1988 Amendments Act requires grantees, recipients, and project sponsors under each of the homeless housing programs authorized by Title IV of the McKinney Act to administer, in good faith, a policy designed to ensure that the homeless facility is free from the illegal use, possession, or distribution of drugs or alcohol by its beneficiaries. For more information concerning this requirement, potential applicants are encouraged to read the Notice on Comprehensive Homeless Assistance Plans, published in the Federal Register on December 28, 1988 (53 FR 52600).

#### IV. Changes in the Permanent Housing Program

The 1988 Amendments Act made the following changes in the permanent housing program (24 CFR Part 841):

1. *Project Sponsor.* Section 442 authorizes a public housing agency (PHA) to be a project sponsor for a permanent housing project. Before this amendment to the McKinney Act, project sponsorship was limited to private nonprofit organizations. As required by § 841.210(b)(2)(i), the applicant for assistance must be the State in which the permanent housing is to be located. The application must indicate whether the project sponsor is a private nonprofit organization or a PHA. (The requirement of § 841.210(b)(2)(ii)(B) that the applicant demonstrate State approval of the financial responsibility of the project sponsor does not apply when the project sponsor is a PHA).

Section 442 also eliminates the requirement, contained in § 841.210(b)(2)(ii), that the applicant's letter of participation and approval of financial responsibility be signed by the Governor or other chief executive officer of the State. The signature of an authorized State official may be substituted.

2. *Grants for Operating Costs.* Section 447 authorizes grants for operating costs for permanent housing not to exceed 50 percent of the costs for the first year and 25 percent the second year. The definition of operating costs in the final rule governing transitional housing (§ 840.5) will be applicable for permanent housing as well. As defined in § 840.5, operating costs means expenses that a recipient incurs for:

(a) The administration, maintenance, minor or routine repair, security, and rental of the housing;

(b) Utilities, fuel, furnishings, and equipment for the housing;

(c) Conducting resident supportive services needs assessments; and

(d) The provision of supportive services to the residents of the housing.

Operating costs do not include expenses that a recipient incurs for debt service in connection with a loan used to finance acquisition or rehabilitation costs under the program.

HUD will provide up to 50 percent of the annual operating costs of permanent housing for the first year and 25 percent for the second year. Upon approval of an application requesting operating cost assistance, HUD will obligate amounts for the period sought, not to exceed two years. Each annual funding level will be equal to an amount not to exceed the recipient's estimate of operating costs for the first year of operation, less the

recipient's matching contribution of 50 percent the first year and 75 percent the second year. In each of the two years, HUD will make operating cost payments to the recipient from the amounts obligated. The rules regarding reduction of funding for acquisition/rehabilitation advances and moderate rehabilitation grants in § 841.400 will apply to grants for operating costs. HUD may deobligate the amounts for annual operating costs if the proposed permanent housing operations are not begun within a reasonable time following selection.

3. *Definition of Project.* Section 441(a) of the 1988 Amendments Act redefines the term "project" to include those structures or portions of structures used for permanent housing that receive operating costs assistance or technical assistance only. This amendment does not require a change in the final rule. The definition of "project" in § 841.5 is not limited to permanent housing programs that receive operating costs assistance or technical assistance in connection with acquisition or rehabilitation assistance.

In addition, applicants may now receive operating costs, which is available independent of acquisition or rehabilitation assistance (see IV.2). Under § 841.100(b), technical assistance was available only in connection with acquisition or rehabilitation assistance. This will be changed to provide that technical assistance will be available also in connection with operating costs. However, technical assistance is available only in connection with some other type of assistance.

4. *Availability of Operating Costs Assistance and Technical Assistance for New Structures.* Sections 441 (b) and (c) provide that operating costs assistance and certain types of technical assistance may be made available for permanent housing, without regard to whether the housing is an existing structure. This change will allow a project with a structure not yet completed to receive operating costs assistance and technical assistance without also receiving acquisition or rehabilitation assistance. However, no assistance may be provided for the construction of structures, with the limited exception discussed in IV.5.

In addition to compliance with the criteria set out in IV.2 for grants for annual operating costs, an applicant for operating costs assistance for a permanent housing project involving a structure not yet completed must provide reasonable assurance that construction will be completed within nine months following notification of an award of a grant for operating costs. ("Notification" of an award means the

date of the letter from HUD to the applicant notifying the applicant that its application for assistance has been approved.) Reasonable assurance may be satisfied by submission of the following:

(a) Plans and specifications for the proposed structure;

(b) Evidence that construction financing has been obtained; and

(c) A copy of the construction contract for the proposed structure containing the terms and conditions with regard to cost and date of completion.

HUD may deobligate an award for operating costs and technical assistance if the construction has not been completed within nine months following notification of the award.

For permanent housing projects involving structures not yet completed, technical assistance will be offered only in connection with an award of operating costs assistance. Under section 441(c), technical assistance for a structure not yet completed may be available in *operating* permanent housing and *providing supportive services* to the residents of permanent housing. Technical assistance in *establishing* permanent housing is available only in connection with existing structures. A description of technical assistance offered to recipients is contained in § 841.115. Since technical assistance does not involve a grant of funds, HUD will continue to provide technical assistance only through HUD offices. As a conforming change, the language in § 841.5 limiting a permanent housing "project" to "existing" structures will be deleted.

5. *Availability of Grant for Limited New Construction.* Section 449(b) authorizes an advance for new construction in limited circumstances. Under § 841.120(d), assistance for permanent housing may not be used for new construction of housing. Section 449(b) will allow an advance for new construction only if the Secretary finds that the project:

(a) Involves the cooperation of a city and a State university;

(b) Has the land donated by a State university;

(c) Proposes a supportive housing structure of at least 10,000 square feet; and

(d) Proposes a model supportive housing project with a comprehensive support system, including health services, job counseling, mental health services, and housing assistance and advocacy.

Where the proposed site for a new construction advance is located in a

wetland, the procedures required by Executive Order 11990, Protection of Wetlands, must be undertaken before any decision is made on the environmental acceptability of the project site for assistance. These procedures are identical to the procedures under Executive Order 11988, Floodplain Management (see IV.15). If a proposed new construction site is in a floodplain and a wetland, a single procedure will be carried out under both Executive Orders.

6. *Use of Acquisition/Rehabilitation Advances to Repay Debt.* Section 445 provides that advances for acquisition/rehabilitation may be used to repay any outstanding debt on a loan made to purchase an existing structure for use as supportive housing. An advance may be used for this purpose only if the structure was not used as supportive housing before the receipt of assistance.

An applicant for an acquisition/rehabilitation advance that intends to use the advance to repay an outstanding debt on a loan made to purchase an existing structure must provide the following information and documentation as a part of the application for the advance:

- (a) A copy of the contract of sale;
- (b) A copy of the loan agreement, mortgage agreement, or deed of trust;
- (c) Documentation showing the purpose of the loan;
- (d) Documentation of the balance owed on the loan, mortgage, or deed of trust; and
- (e) Certification that the structure has not been used as supportive housing before the receipt of assistance.

This provision is made applicable by the 1988 Amendments Act to all future applicants, as well as to any recipients that were notified of awards on or after November 1, 1987, whose funds were later deobligated by HUD upon learning of the recipient's intent to use the funds to repay a debt made to purchase the structure.

7. *Limitation on Grants for Moderate Rehabilitation.* Section 446 sets a cap of \$200,000 on grants for moderate rehabilitation. Under § 841.110, a grant for moderate rehabilitation of an existing structure was limited to the lower of (a) the project limit (see § 841.110(b)(2)); or (b) 50 percent of the cost of rehabilitation. A grant for moderate rehabilitation will now be limited to the lesser of (a) \$200,000; (b) the project limit; or (c) 50 percent of the cost of rehabilitation. (See IV.8 for the special circumstances under which a grant in excess of \$200,000 may be available.)

8. *Raised Limits on Advances for Acquisition/Rehabilitation and Grants*

*for Moderate Rehabilitation.* Section 449(a) authorizes the Secretary to raise the limits on advances for acquisition/rehabilitation or grants for moderate rehabilitation from \$200,000 to \$400,000 in areas determined by the Secretary to have high acquisition and rehabilitation costs. HUD will consider applicants for amounts above \$200,000 from applicants in geographic areas determined by the Secretary to have costs that exceed the statutory limits of section 202 of the Housing Act of 1959 (12 U.S.C. 1701q) by at least 75 percent. (A list of these geographic areas is included in the application package. Applicants may also obtain a list of the areas from HUD Field Offices.) All requirements with regard to matching funds are applicable to increased advances or grants.

9. *Eligible Assistance.* Section 447 provides that a recipient may receive both an advance for acquisition/rehabilitation and a grant for moderate rehabilitation under one application. Under § 841.100(b), assistance was limited to either an advance for acquisition/rehabilitation or a grant for moderate rehabilitation. HUD anticipates that applicants for both types of assistance will use the advance for acquisition of a structure and the grant for rehabilitation of the structure.

10. *Site Control.* Section 450 provides that an application for assistance must furnish reasonable assurances that the applicant (or project sponsor) will own or have control of a site for the proposed project not later than six months after notification of an award for grant assistance. Under the final rule at § 841.210(b)(4)(iv)(A), applicants were required to demonstrate control of a site at the time of the application for assistance. This change in the rule will permit approval of applications from projects that are not able to gain control of a site until they have been notified of an assistance award. Reasonable assurance must be satisfied by identification of a suitable site (a suitable site is one that meets the requirements of §§ 841.210 and 841.330 applicable to sites) and:

- (a) Certification by the applicant (or project sponsor) that it is engaged in negotiations or in other efforts for the purpose of gaining control of the identified site; or
- (b) Other evidence satisfactory to HUD that the applicant (or project sponsor) will gain control of the identified site.

Although section 450 authorizes an award of assistance to applicants (or project sponsors) that do not have site control, it also provides that the extent to which an applicant (or project sponsor) has control of a site upon

application for assistance will be a ranking criterion in the competition with other applicants, as described in IV.12.

Section 450 also provides that an applicant (or project sponsor) may obtain ownership or control of a suitable site different from the one specified in its application. An applicant may not change sites during the application review period. Retention of an assistance award is subject to the new site's meeting all requirements for suitable sites. If the acquisition or rehabilitation costs for the substitute site are more than the amount of the advance or grant, the recipient must furnish all additional costs. If the recipient is unable to demonstrate to HUD that it is able to furnish the difference in costs, HUD may cancel or recapture the obligated funds and reallocate the funds to other projects.

If a recipient (or project sponsor) does not have control of the site within one year after notification of an award for assistance, section 450 requires HUD to cancel or recapture the obligated funds and reallocate the funds to other projects.

This provision applies to all future applicants for assistance under 24 CFR Part 841, as well as to any recipients that were notified of awards on or after November 1, 1987 and whose funds were later deobligated by HUD upon learning that the recipient no longer had ownership or control of the site specified in its application or that the recipient wanted to change to a site different from the site specified in its application.

11. *Matching Requirements.* Under § 841.125, which implemented the matching fund requirements of section 425 of the McKinney Act, the recipient was required to match the assistance provided by HUD with at least an equal amount of State or local government funds, 50 percent of which were to be State funds. The 50 percent State fund requirement could have been waived where HUD determined that the State was experiencing a severe financial hardship and that local governments in the area to be served would furnish the difference. Section 452 of the 1988 Amendments Act provides that a State submitting an application for permanent housing must certify that it will supplement the assistance provided by HUD with an equal amount of funds from non-Federal sources. The requirement that a portion of the matching funds be from local government funds and the provision for a waiver for financially burdened States have been eliminated.



Section 452 defines the term "funds from non-Federal sources" to include a number of sources that can be used as matching funds for an advance or grant. HUD will recognize matches to the extent they are paid from sources other than a Federal assistance program, including the permanent housing program, to avoid inappropriate double-counting of the amounts involved and the dilution of the purpose of the program's matching requirements. A State may include in the calculation of its matching funds:

- (a) State or local agency funds;
- (b) Salaries paid to staff to carry out the program of the recipient;
- (c) Time and services contributed by volunteers to carry out the program of the recipient, valued at \$5.00 an hour;
- (d) Contributions of materials;
- (e) Contribution of a fee ownership in a structure to the extent of the fair market value of the structure;
- (f) Contribution of a leasehold interest in a structure to the extent of the fair rental value of the structure;
- (g) Rental income paid by residents of permanent housing under § 841.320.

Although section 452 does not include cash contributions from third parties as a source of non-Federal funds, HUD recognizes such contributions as a source of matching funds.

HUD will include the value of the matching funds in the calculation for the type of assistance to which they are related. For example, a contribution of materials will be included in the calculation of a match for an acquisition/rehabilitation advance or a moderate rehabilitation grant if the materials will be used in the rehabilitation of a structure for use as permanent housing. A contribution of materials that would fall within the definition of operating costs under IV.2 will be included in the match for operating costs assistance. A contribution of a fee ownership in a structure will be included in the match for an acquisition/rehabilitation advance, and a contribution of a leasehold interest will be included in the match for a grant for operating costs.

Volunteer time and services will also be included in the calculation of the match for the type of assistance to which such time and services are related. For example, if volunteers assist in the rehabilitation of the structure, the contribution will be calculated as a match for an acquisition/rehabilitation advance or a moderate rehabilitation grant. If outside service providers donate supportive services or if volunteers assist in administration of the program, the value of their services will be calculated as a match for

operating costs. Staff salaries will be included as a match for operating costs.

12. *Number of Residents.* Under § 841.325, a permanent housing program consisting of dwelling units in a rental building, condominium, or cooperative may not serve more than eight persons and their families (if the head of the family or spouse of the head of the family is a handicapped homeless person). If the permanent housing is a group home, the project may not serve more than eight handicapped homeless persons, and may not serve the families of such persons. Section 444 of the 1988 Amendments Act permits HUD to waive this limitation on the number of residents if the applicant demonstrates that local market conditions dictate the development of a larger project, and that a larger project will achieve the neighborhood integration objectives of the program within the community.

HUD anticipates that requests for waivers of § 841.325 will be from project sponsors of permanent housing located in densely populated urban areas where supportive services, such as health facilities, employment opportunities, or public transportation, are concentrated. HUD will grant the waivers on a case-by-case basis.

13. *Ranking Criteria.* The 1988 Amendments Act authorizes an additional criterion to be included in the ranking criteria described in § 841.215(b). Section 450 provides for the inclusion of the extent to which an applicant has control of the site of the proposed project. In assessing an application under this factor, HUD will award the most points to an applicant that demonstrates that:

- (a) The applicant (or project sponsor) owns or has a contract of sale for the site at the time of the application;
- (b) The applicant (or project sponsor) has a lease for the site for a period of 10 years from the date of the application;
- (c) The applicant (or project sponsor) has an option to purchase the site at the time of the application; or
- (d) The applicant (or project sponsor) has an option to lease the site for a period of 10 years from the date of the application.

14. *Environmental Review.* Section 443 provides that the provisions of, and regulations and procedures applicable under, section 104(g) of the Housing and Community Development Act of 1974 (42 U.S.C. 5304(g)) shall apply to assistance and projects under Title IV of the McKinney Act. Section 104(g) provides that, in lieu of the environmental protection procedures otherwise applicable, the Secretary may provide for the release of funds for particular projects to grantees who assume all the

responsibilities for environmental review, decisionmaking, and action under the National Environmental Policy Act of 1969 (42 U.S.C. 4321) (NEPA) and the other provisions of law specified by the Secretary that would apply to the Secretary were the Secretary to undertake such projects as Federal projects. HUD regulations implementing section 104(g) are found in 24 CFR Part 58, and the Secretary has specified the other provisions of law under which environmental responsibilities are to be assumed by grantees in 24 CFR 58.5. (These authorities include the floodplain restrictions discussed in IV.15.)

As applied to permanent housing, the Department views section 443 as authorizing the Secretary to require States (as the applicants under § 841.5) to assume the responsibility for assessing the environmental effects of each application for assistance in accordance with the procedural provisions of NEPA, the related environmental laws and authorities, and HUD's implementing regulations in 24 CFR Part 58. In accordance with the new statutory authorization, HUD will, in connection with future permanent housing advances and grants, provide for assumption of these responsibilities by States. Relevant reviews completed for purposes of another McKinney Act program or other HUD program may suffice for purposes of permanent housing, where permitted under Part 58.

Since applicants will now be responsible for performing the environmental review under section 104(g) and 24 CFR Part 58, the environmental review process will be independent of the threshold review and ranking process, and the applicant may complete the environmental review after those processes and after selection for funding. Therefore, § 841.210(b)(7) will not be in effect, and HUD will not consider environmental impacts or time delays associated with mitigation measures for such proposals in ranking the applications. Similarly, the provision in § 841.210(b)(7) that applications requiring Environmental Impact Statements (EIS) will not pass threshold review will not be enforced.

On August 10, 1988, HUD amended its environmental regulations at 24 CFR Parts 50 and 58 to exclude certain activities under HUD homeless assistance programs from the NEPA requirements of Parts 50 and 58 (53 FR 30186). (The amendments were published in conjunction with HUD's final rule governing the Emergency Shelter Grants Program.) These "categorical exclusions" from NEPA review are for activities that HUD

believes lack potential significant effect on the human environment. Specifically, the activities consist of such services as health, substance abuse and counseling services, the provision of meals and payment of rent, utility and maintenance costs, and similar activities that do not involve physical change to buildings or sites. Environmental review focuses on new site selection or physical development activities such as construction, property rehabilitation, renovation, and conversion. Although the activities described above and certain other activities may be categorically excluded from the NEPA requirements, they are not excluded from the individual compliance requirements of other environmental statutes, executive orders, and HUD standards listed in §§ 50.4 and 58.5, where applicable. However, activities consisting solely of supportive services and software normally do not require environmental review under NEPA or the related authorities if they do not directly require physical development or site selection (i.e., use of a building not previously used for purposes of the program). Such activities that trigger neither NEPA nor the related authorities are defined as "exempt" under Part 58. Procedures for applicant submission of environmental certifications and Requests for Release of Funds apply to new site selections and to the funding of physical development activities. These procedures do not apply to activities that are determined and documented to be "exempt."

Applicants and grantees are cautioned that, under section 104(g), HUD may not release permanent housing funds for a project if the grantee, a subgrantee, or another party commits permanent housing funds (i.e., incurs any costs or expenditures to be paid for, or reimbursed with, such funds) before the grantee submits its request for release of permanent housing funds to HUD.

**15. Floodplains Restrictions.** Section 451 of the 1988 Amendments Act requires that the flood protection standards for housing acquired, rehabilitated, or assisted with Supportive Housing Demonstration funds may be no more restrictive than those applicable under Executive Order 11988, Floodplain Management (May 24, 1977) to the other programs under Title IV of the McKinney Act. Therefore, the restrictions with respect to location of projects in floodplains contained in the final rule at § 841.210(b)(4)(iv)(C) no longer apply to applicants for assistance under the permanent housing for the handicapped homeless program. HUD

interprets section 451 to mean that, for projects located in floodplains, the eight-step process of public notification and decisionmaking outline in the U.S. Water Resources Council Floodplain Management Guidelines (43 FR 6030, February 10, 1978) must be undertaken by the applicant before any decision is made on the environmental acceptability of the project site for homeless assistance. Grantees with projects in floodplains will perform the eight-step process at the time they perform the environmental review (see IV.14).

The eight-step process applies to all applications for projects for critical actions within the 500-year floodplain. Critical actions include those projects intended to serve developmentally disabled, chronically mentally ill, or mobility impaired residents and, therefore, include all permanent housing projects. Applicants with proposed projects located in a 500-year floodplain should be aware that the public notification and decisionmaking process takes a minimum of 30 days from the time the first published notice in the process appears.

Executive Order 11988 requires the applicant to consider alternatives to avoid adverse impacts associated with the occupancy and modification of floodplains. The alternatives may include actions resulting in less risk to human life or property. The review process may result in specific mitigation requirements or rejection of the site. As part of the eight-step process, the applicant must reevaluate alternatives to projects/sites located in floodplains. If, after initial approval, an applicant changes the site, any new site will be subject to a complete environmental review, including, as applicable, the eight-step public notification and decisionmaking procedure for sites located in floodplains.

The Flood Disaster Protection Act of 1973 (42 U.S.C. 4001-4128) and HUD regulations prohibit the approval of applications for projects/sites located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards unless: (1) The community in which the area is situated is participating in the National Flood Insurance Program (not suspended or withdrawn) (see 44 CFR Parts 59-79) or less than a year has passed since FEMA notification regarding such hazards; and (2) flood insurance is obtained as a condition of approval of the application.

Applicants with projects/sites (determined through the eight-step process to be environmentally

acceptable) that are located in an area that has been identified by FEMA as having special flood hazards will be required to obtain and maintain flood insurance under the National Flood Insurance Program. This is a separate requirement from the Executive Order 11988 procedures, and the availability of flood insurance does not satisfy the eight-step public notification and decisionmaking procedures of the Floodplain Management Guidelines.

**16. Drug- and Alcohol-Free Facilities.** Section 402 of the 1988 Amendments Act requires grantees, recipients, and project sponsors under each of the homeless housing programs authorized by Title IV of the McKinney Act to administer, in good faith, a policy designed to ensure that the homeless facility is free from the illegal use, possession, or distribution of drugs or alcohol by its beneficiaries. For more information concerning this requirement, potential applicants are encouraged to read to Notice on Comprehensive Homeless Assistance Plans, published in the Federal Register on December 28, 1988 (53 FR 52600).

#### V. Application Process—Transitional Housing

One of the purposes of this Notice is to announce the availability of \$65 million in funds for transitional housing appropriated by the Department of Housing and Urban Development-Independent Agencies Appropriations Act, 1989. The Department also is announcing the availability of an additional \$24.6 million in funds, which has been reallocated to the transitional housing program from funds that were set aside from FY 1987 and FY 1988 appropriations for the permanent housing program but were not obligated for that program. Section 455 of the 1988 Amendments Act requires the Secretary to reallocate to transitional housing any amounts set aside for permanent housing that will not be required to fund approvable applications for permanent housing funds. Therefore, the Department has reallocated \$24.6 million in unused funds set aside for permanent housing to the transitional housing program, making a total availability of \$89.6 million in funds for transitional housing.

Section 428(b) of the McKinney Act requires that at least \$20 million in funds for any fiscal year be set aside for transitional housing projects that serve homeless families with children. Therefore, at least \$20 million of the total \$85 million in funds for transitional housing will be set aside for projects

that serve homeless families with children.

An application package is available that describes the information and documents that transitional housing applicants must submit. The application package identifies all information and documents that must be submitted by the application deadline, as well as the information and documents that must be submitted upon preliminary approval of the application. The package will be provided upon the written or oral request of any party made to the Office of Supportive Housing Demonstration Program at the address set forth in the beginning of this document, or by calling (202) 755-1514 or 755-1525. Hearing or speech impaired individuals may call HUD's TDD number (202) 426-0015. (These numbers are not toll-free.)

Applications must be in the form prescribed by HUD and must be received at the specified address no later than 5:15 p.m. (e.s.t.) on March 30, 1989. Late-filed and incomplete applications will be rejected.

Following the expiration of the March 30, 1989 deadline, HUD headquarters will review, rate, and rank the applications in a manner consistent with the selection procedures described at §§ 840.207-840.225, as modified by the statutorily required changes to those procedures announced in section III of

this Notice. HUD will announce its final selections no later than July 10, 1989. No information regarding the status of applications will be released until final selections are made.

#### VI. Application Process-Permanent Housing

This Notice announces the availability of \$15 million in funds for permanent housing appropriated by the Department of Housing and Urban Development-Independent Agencies Appropriations Act, 1989.

An application package is available that describes the information and documents required from applicants for assistance for permanent housing projects. The application package identifies all information and documents that must be submitted by the application deadline, as well as the information and documents that must be submitted upon preliminary approval of the application. The package will be provided to eligible states upon written or oral request to the Office of Supportive Housing Demonstration Program at the address set forth in the beginning of this document, or by calling (202) 755-1514 or 755-1525. Hearing or speech impaired individuals may call HUD's TDD number (202) 426-0015. (These numbers are not toll-free.)

Applications must be in the form prescribed by HUD and must be

received at the specified address no later than 5:15 p.m. (e.s.t.) on April 27, 1989. Late-filed and incomplete applications will be rejected.

Following the expiration of the April 27, 1989 deadline, HUD headquarters will review, rate, and rank the applications in a manner consistent with the selection procedures described at §§ 841.207-841.255, as modified by the statutory required changes to those procedures announced in section IV of this notice. HUD will announce its final selections no later than July 31, 1989. No information regarding the status of applications will be released until final selections are made.

#### VII. Other Matters

The revised collection of information requirements contained in this notice were submitted to OMB for review under section 3504(h) of the Paperwork Reduction Act of 1980. Sections V and VI of this notice have been determined by the Department to contain collection of information requirements not included in the Department's assessments of the burden of these requirements when they were originally approved by OMB on July 1, 1988 under control number 2502-0361. Information on the revised reporting burden is provided as follows:

	Number of respondents	Frequency of response	Hours per response	Burden hours
Permanent HSG:				
—Applications.....	100	1	44	4,400
—Recordkeeping.....	100	1	1	100
—Environ Review.....	100	1	14	1,400
Transit HSG:				
—Applications.....	300	1	44	13,200
—Recordkeeping.....	300	1	1	300
—Environ Review.....				
Total Annual Burden.....				19,400

A Finding of No Significant Impact with respect to the environment has been made in accordance with HUD regulations in 24 CFR Part 50, which implement section 102(2)(C) of the National Environmental Policy Act of 1969, 42 U.S.C. § 4332. The Finding is available for public inspection during regular business hours at the Office of Rules Docket Clerk, Room 10276, Department of Housing and Urban Development, 451 Seventh Street SW., Washington, DC 20410.

The General Counsel, as the Designated Official under Executive Order 12606, *The Family*, has determined that some of the policies in this Notice will have a potential

significant impact on the formation, maintenance, and general well-being of homeless families. The Notice makes available \$100 million for the Supportive Housing program. Both transitional housing and permanent housing that serve families, including families with children, are eligible for funding under the program. Participation of families in the program can be expected to support family values, by helping families remain together; by enabling them to live in decent, safe, and sanitary housing; and in the case of transitional housing, by encouraging them to acquire the skills and knowledge necessary to live independently in mainstream American society.

The General Counsel has also determined, as the Designated Official for HUD under section 6(a) of Executive Order 12612, *Federalism*, that the amendment made by section 443 of the 1988 Amendments Act will have federalism implications. That section provides that HUD shall apply the provisions of, and regulations and procedures under, section 104(g) of the Housing and Community Development Act of 1974 to assistance and projects under Title IV of the McKinney Act. Section 104(g) provides that the Secretary may require applicants with the legal capacity to do so to assume the responsibilities for environmental review, decisionmaking, and action



under the National Environmental Policy Act of 1969 and the other provisions of law specified by the Secretary that would apply to HUD were HUD to undertake such projects as Federal projects. HUD is announcing in this Notice that it will require States and other governmental entities with general governmental powers to assume those responsibilities. While the delegation of these responsibilities under section 104(g) is discretionary with HUD, it is authorized by and clearly the intent of section 443 of the 1988 Amendments Act. Therefore, the policy is not subject to review under Executive Order 12612.

This rule does not constitute a "major rule" as that term is defined in section 1(d) of Executive Order 12291 issued by the President on February 17, 1981. An

analysis of the rule indicates that it does not: (1) Have an annual effect on the economy of \$100 million or more; (2) cause a major increase in costs of prices for consumers, individual industries, Federal, State, or local government agencies, or geographic regions; or (3) have a significant adverse effect on competition, employment, investment, productivity, innovation, or on the ability of United States-based enterprises to compete with foreign-based enterprises in domestic or export markets.

In accordance with 5 U.S.C. 605(b) (the Regulatory Flexibility Act), the undersigned hereby certifies that this rule does not have a significant economic impact on a substantial number of small entities. Only a limited

number of small entities will be eligible for and affected by this program because: (1) The current funding level will support only a limited number of recipients; and (2) recipients under the program include small and large private nonprofit organizations and government entities.

This document was not listed on the Department's Semiannual Agenda of Regulations published on October 24, 1988 (53 FR 41974).

The Catalog of Federal Domestic Assistance program number is 14.178.

Dated: January 3, 1989.

Thomas T. Demery,  
Assistant Secretary for Housing—Federal  
Housing Commissioner.

[FR Doc. 89-293 Filed 1-6-89; 8:45 am]

BILLING CODE 4210-27-M

**DEPARTMENT OF HOUSING AND  
URBAN DEVELOPMENT****Office of the Assistant Secretary for  
Housing—Federal Housing  
Commissioner****24 CFR Parts 840 and 841****[Docket No. R-89-1433; FR-2581]****Supportive Housing Demonstration  
Program; Cross Reference****AGENCY:** Office of the Assistant  
Secretary for Housing—Federal Housing  
Commissioner, HUD.**ACTION:** Proposed rule; cross reference.**SUMMARY:** In a Notice published elsewhere in today's Federal Register, HUD is announcing the availability of \$104.6 million for the Supportive Housing Demonstration program. The Notice also announces changes to the Supportive Housing final rule (24 CFR Parts 840 and 841), which implement amendments contained in the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (Pub. L. 100-628, approved November 7, 1988). Although the changes are published for immediate effect, the public is invited to

comment on the changes for consideration in developing amendments to the final rule within 12 months of enactment of the McKinney legislative amendments. Comments received by March 27, 1989, will be considered in amendments to the final rule.

Dated: January 5, 1989.

**James E. Schoenberger,**  
*General Deputy Assistant Secretary for  
Housing.*

[FR Doc. 89-417 Filed 1-6-89; 8:45 am]

**BILLING CODE 4210-27-M**

Under the conditions of these 2-year studies, there was no evidence of carcinogenic activity \* of erythromycin stearate for male or female F344/N rats administered erythromycin stearate in the diet at 5,000 or 10,000 ppm. There was no evidence of carcinogenic activity of erythromycin stearate for male or female B6C3F<sub>1</sub> mice administered erythromycin stearate in the diet at 2,500 or 5,000 ppm. Dose-related increases in the incidences of granulomas of the liver were observed in male and female rats.

The study scientist for this bioassay is Dr. J.E. French. Questions or comments about the contents of this Technical Report should be directed to Dr. French at P.O. Box 12233, Research Triangle Park, NC 27709 or telephone (919) 541-7790; FTS: 629-7790.

Copies of *Toxicology and Carcinogenesis Studies of Erythromycin Stearate in F344/N Rats and B6C3F<sub>1</sub> Mice (Feed Studies)* (TR 338) are available without charge from the NTP Public Information Office, MD B2-04, P.O. Box 12233, Research Triangle Park, NC 27709 or telephone (919) 541-3991; FTS: 629-3991.

Dated: April 12, 1989.

David P. Rall,  
Director.

[FR Doc. 89-9167 Filed 4-17-89; 8:45 am]

BILLING CODE 4140-01-M

## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

### Office of the Assistant Secretary for Housing—Federal Housing Commissioner

[Docket No. N-89-1969; FR-2652]

### Section 8 Moderate Rehabilitation Program for Single Room Occupancy Dwellings for Homeless Individuals; Revised Notice of Fund Availability

**AGENCY:** Office of the Assistant Secretary for Housing—Federal Housing Commissioner, HUD.

**ACTION:** Revised notice of fund availability.

**SUMMARY:** On January 9, 1989, HUD published a Notice of Fund Availability for fiscal year 1989 for the Section 8 Moderate Rehabilitation Program for

\*The NTP uses five categories of evidence of carcinogenic activity to summarize the strength of evidence of carcinogenicity observed in each animal study: Two categories for positive results ("clear evidence" and "some evidence"); one category for uncertain findings ("equivocal evidence"); one category for no observable effects ("no evidence"); and one category for experiments that cannot be evaluated because of major flaws ("inadequate study").

Single Room Occupancy (SRO) Dwellings for Homeless Individuals under section 441 of the Stewart B. McKinney Homeless Assistance Act (54 FR 758). Among other things, the Notice set an application submission deadline of April 10, 1989, and limited potential eligible applicants to public housing agencies (PHAs) that are currently administering a Moderate Rehabilitation Program under 24 CFR Part 882.

This Notice announces an extension of the time for submitting applications from April 10, 1989 to May 17, 1989. It also opens the application process to all PHAs, not just those presently administering a Moderate Rehabilitation Program.

**DATE:** April 18, 1989.

**FOR FURTHER INFORMATION CONTACT:** Lawrence Goldberger, Director, Office of Elderly and Assisted Housing, Department of Housing and Urban Development, 451 Seventh Street SW., Washington, DC 20410, telephone (202) 755-5720. (This is not a toll-free number.)

#### SUPPLEMENTARY INFORMATION:

##### Information Collection Requirements

The information collection requirements contained in this Notice have been submitted to the Office Management and Budget (OMB) for review under the Paperwork Reduction Act of 1980 and have been assigned OMB control number 2502-0367. Public reporting burden for each of these collections of information is estimated to include the time for reviewing the instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Information on the estimated public reporting burden is provided under the Preamble heading, *Other Matters*. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Department of Housing and Urban Development, Rules Docket Clerk, 451 Seventh Street SW., Washington, DC 20410; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20530.

##### This Notice

On January 9, 1989, the Department published in the *Federal Register* (54 FR 758) a Notice of Fund Availability. The Notice announced the availability of funding for fiscal year 1989 for the Section 8 Moderate Rehabilitation Program for Single Room Occupancy (SRO) Dwellings for Homeless

Individuals, as authorized by section 441 of the Stewart B. McKinney Homeless Assistance Act (Pub. L. 100-77, approved July 22, 1987).

Section IIIA. of the Notice required the submission of applications by April 10, 1989. It also limited eligible applicants to PHAs that are currently administering a Moderate Rehabilitation Program under 24 CFR Part 882.

Today's Notice makes the following two changes to the January 9 Notice:

—It extends the application submission deadline from April 10, 1989 to May 17, 1989; and

—It permits all PHAs to submit applications, not just those that are presently administering a Section 8 Moderate Rehabilitation Program. Accordingly, the first sentence of section III.A.(1) is amended to remove the phrase "that are currently administering a Moderate Rehabilitation Program under 24 CFR Part 882". Also, section III.C.(8) is amended to add the following sentence: "If a PHA has not administered a Section 8 Moderate Rehabilitation Program, the PHA must demonstrate that it: (a) Has the ability to operate a rehabilitation program, or (b) will contract with a qualified agency or entity which will assist the PHA in operating a rehabilitation program, or (c) will develop the capability to operate a rehabilitation program."

Section 441 of the McKinney Act provides that funding will be provided to applicants:

that best demonstrate a need for the assistance \* \* \* and the ability to undertake and carry out a program to be assisted \* \* \*

In the first funding round under section 441 (see 52 FR 38380, published on October 15, 1987), the Department chose to limit PHA participation to those with on-going Section 8 Moderate Rehabilitation Programs because of the overriding need to make assistance available for the homeless on an emergency basis. For the current (second) funding round, the Department has determined not to limit the competition to PHAs with experience in the Section 8 Moderate Rehabilitation Program and that other PHAs may be able to carry out highly successful SRO programs under section 441.

The extension of the deadline for application submission is designed to ensure that any PHAs that this Notice has made newly eligible have adequate opportunity to prepare and submit an application. The extension also reflects HUD's desire to ensure that the applications ultimately selected for funding are of the highest quality. Any PHA that has already submitted an

application in response to the January 9 Notice may amend the application, but the complete application must be received by May 17, 1989. (To the extent possible, HUD intends to review the applications received by the April 10 deadline for completeness and to notify PHAs of missing information.)

Finally, it should be noted that the changes announced in this Notice only modify the description of what PHAs are eligible to submit applications and the time for application submission. All other provisions of the January 9 Notice

remain in effect for the fiscal year 1989 funding round.

**Other Matters**

*Environment*

A Finding of No Significant Impact with respect to the environment has been made in accordance with HUD regulations at 24 CFR Part 50, which implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332). The Finding of No Significant Impact is available for public inspection during regular business hours

in the Office of the Rules Docket Clerk, Office of General Counsel, Department of Housing and Urban Development, Room 10276, 451 Seventh Street SW., Washington, DC 20410.

*Information Collection Requirements*

The collection of information requirements contained in this Notice have been submitted to OMB for review under section 3504(h) of the Paperwork Reduction Act of 1980 and have been assigned OMB control number 2502-0367. Information on these requirements is provided as follows:

**TABULATION OF ANNUAL REPORTING BURDEN NOTICE OF FUND AVAILABILITY—SECTION 8 MODERATE REHABILITATION PROGRAM FOR SINGLE ROOM OCCUPANCY DWELLINGS FOR HOMELESS INDIVIDUALS**

Description of information collection	Section of 24 CFR affected	Number of respondents	Number of responses per respondents	Total annual responses	Hours per response	Total hours
Section 8 Moderate Rehabilitation Program for Single Room Occupancy Dwellings for Homeless Individuals (2502-0367).	24 CFR 882.....	150	1	150	25	3,750

*Federalism and Family*

The General Counsel, as the Designated Official under Executive Orders 12612, *Federalism*, and 12606, *The Family*, has determined that this Notice does not have the requisite effects to trigger review under either Order. The Notice only changes the pool of eligible applicants and the deadline for application submission under a previous Notice. It does not have any significant federalism or family effects.

*Federal Programs*

The Catalog of Federal Domestic Assistance Programs number is 14.158, Lower Income Housing Assistance Program.

Authority: Secs. 401, 441, Stewart B. McKinney Homeless Assistance Act (Pub. L. 100-77, approved July 22, 1987); sec. 485, Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (Pub. L. 100-628, approved November 7, 1988); sec. 7(d), Department of Housing and Urban Development Act (42 U.S.C. 3535(d)).

Dated: April 10, 1989.

James Schoenberger,  
General Deputy Assistant Secretary for Housing—Federal Housing Commissioner.  
[FR Doc. 89-9318 Filed 4-17-89; 8:45 am]

BILLING CODE 4210-27-M

**DEPARTMENT OF THE INTERIOR**

**Bureau of Land Management**

[ID-943-09-4214-12; I-1639]

**Partial Termination of Classification for Multiple Use Management; Idaho**

**AGENCY:** Bureau of Land Management, Interior.

**ACTION:** Classification termination.

**SUMMARY:** This action partially terminates a classification order which segregated 531,160 acres from disposal under various land laws. The classification is no longer needed because the Resource Management Plan prepared for the area provides the necessary protection of the resources this classification sought to protect. In addition, many of the disposal laws for which the lands were segregated have since been repealed by the Federal Land Policy and Management Act of 1976. This action will open 402,138 acres of public lands specified to the agricultural land laws. These lands with the exception of 760 acres closed to the mining laws, have been and continue to be open to the mining and mineral leasing laws and to all other public land laws. This action will also open an additional 760 acres to the mining laws.

**EFFECTIVE DATE:** April 18, 1989.

**FOR FURTHER INFORMATION CONTACT:** William E. Ireland, BLM, Idaho State Office, 3380 Americana Terrace, Boise, Idaho 83706, 208-334-1597.

1. Pursuant to authority delegated to me by BLM Manual, section 1203-Delegation of Authority (48 FR 85), I hereby terminate the Bureau of Land Management Multiple-Use Classification Order dated November 9, 1987, and published in the *Federal Register* November 16, 1987, Vol. 32, No. 222, Pages 15767-15768, insofar as if affected the lands described below:

**Boise Meridian**

- T. 19 N., R. 21 E.,  
All the public lands outside the National Forest boundary except sec. 28, SE¼SE¼.
- T. 20 N., R. 21 E.,  
All public lands outside the National Forest boundary.
- T. 21 N., R. 21 E.,  
Sec. 35.
- T. 23 N., R. 21 E.,  
Sec. 12, lot 6.
- T. 13 N., R. 22 E.,  
Sec. 2, that portion in Lemhi County.
- T. 17 N., R. 22 E.,  
Sec. 1, E½.
- T. 18 N., R. 22 E.,  
All public lands outside the National Forest boundary.
- T. 19 N., R. 22 E.,  
All public lands outside the National Forest boundary.
- T. 20 N., R. 22 E.,  
Secs. 1 to 5, inclusive;  
Sec. 8;  
Sec. 11, E½;  
Secs. 12 and 13;  
Secs. 17 to 19, inclusive;  
Sec. 23, E½;  
Secs. 24 and 30;  
Sec. 31, N½;  
Sec. 32, N¼.
- T. 21 N., R. 22 E.,

Other witnesses complained that the competitive nature of the homeless programs makes it difficult for smaller communities to receive funding and that HUD and other agencies are slow in processing grants.

Despite some problems, though, Robert Hayes, director of the Washington-based National Coalition for the Homeless, said "it has been a pretty successful act."

### **Homeless Assistance**

#### **DRAFT FINAL RULE ALLOWS ALL HOUSING AUTHORITIES TO APPLY FOR SRO PROGRAM**

All public housing authorities (PHAs) would be allowed to participate in the Section 8 moderate rehabilitation program for single room occupancy (SRO) dwellings for homeless individuals, under a draft final rule for the program.

A January 9 Federal Register notice governing operation of the program during fiscal 1989 limited participation to PHAs currently running Section 8 moderate rehab programs. However, an April 18 notice in the Federal Register deleted that limitation for the current fiscal year.

HUD, acting in response to several comments on the January 9 notice, has decided to make the change permanent, according to the preamble of the draft final rule obtained by HDR.

However, a PHA that has not administered a moderate rehab program will still have to demonstrate that it has the ability to conduct a program itself, that it will contract with a qualified agency or other entity to provide assistance in operating a program, or that it can develop the capacity to run a rehab program.

In addition to expanding participation, the draft makes final several elements of the SRO program set out in the January notice.

#### **Efficiency Units**

The rule reflects changes made by the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 by allowing program assistance to be used in connection with the moderate rehabilitation of efficiency units, as well as single rooms without kitchens or bathrooms.

The owner of such units is required to pay the additional costs of rehabilitating and operating them. However, in no case may the fair market rent for SRO units be exceeded. This rent is defined as 75 percent of the zero-bedroom moderate rehab fair market rent.

The draft rule also defines a term that is critical to determining the cost of an SRO rehab project. The program requires sprinklers and other fire and safety improvements in "major spaces." According to the rule, such spaces are "hallways, large common areas, and other areas specified in local fire, building, or safety codes."

The rule also sets the per-unit cost limit for fiscal 1989 at \$14,300 and discusses methods of increasing the cost limit under certain circumstances. No permanent displacement is allowed under the program.

#### **Environmental Review**

HUD generally has the authority to delegate some of its responsibilities for environmental review to recipients of assistance. In most cases, these recipients are jurisdictions with general purpose powers, including those relating to land use control.

Most PHAs do not have such powers and, therefore, could not carry out some of the most important delegated

environmental duties. Consequently, HUD has decided to retain environmental review responsibilities for this program, the preamble explains.

(For more information on the moderate rehab SRO program for homeless individuals, see *Current Developments* Vol. 16, pp. 767, 1051.)

### **Homeless Assistance**

#### **DRAFT RULE DROPS 500-YEAR FLOODPLAIN RESTRICTIONS ON HOUSING FOR HANDICAPPED**

HUD is dropping 500-year floodplain restrictions on the development of permanent housing for the handicapped homeless under the supportive housing demonstration (SHD) program, according to a draft final rule obtained by HDR.

According to supplementary information accompanying the draft, HUD decided to drop provisions making it more difficult to develop projects in the 500-year floodplain after receiving a comment that the restrictions, included in a January 9 notice setting out the rules for the fiscal 1989 program, conflicted with civil rights and fair housing laws.

Those provisions classified as "critical actions" all projects involving handicapped homeless persons. Critical actions are defined as activities for which even a slight chance of flooding would be too great.

Under federal floodplain management regulations, all critical actions proposed to be located within a 500-year flood plain must comply with an eight-step public notification and decision-making process.

#### **Objection to Restrictions**

Because the January provisions classify all projects involving handicapped persons as critical actions and thus subject them to restrictions more stringent than those applied to others, the commenter argued, they conflict with Section 504 of the Rehabilitation Act of 1973 and with the Fair Housing Act, as amended in 1988.

HUD agrees, according to the draft, which says that "the treatment of all projects for handicapped persons under this program as critical actions is too inclusive." Since it has at present no way of differentiating among handicapped groups, HUD adds, it will not treat any project for the handicapped as a critical action.

However, the draft notes, all projects, including those involving the handicapped, are subject to the eight-step process when located in a 100-year flood plain.

HUD received comments in six other areas, but made no other changes in the January 9 notice, the supplementary information notes.

### **Taxation**

#### **LOW-INCOME HOUSING TAX CREDIT SEMINAR COMES TO THE WEST COAST**

On July 20-21, HDR and The Institute for Professional and Executive Development (IPED) will bring to San Diego their nationally recognized, practical workshop on the low-income housing tax credit and the key issues that surround its use for the remainder of 1989. "The Year of the Tax Credit" is co-chaired by Charles L. Edson, Esq. and Richard S. Goldstein, Esq. of the Washington, D.C., office of Kelley Drye & Warren and will feature experi-

\* Funds will be awarded through a nationwide competitive application and selection process.

\* The assistance provided may include:

-- advances, not to exceed \$200,000, for the cost of acquisition and/or substantial rehabilitation of existing structures to serve as housing for the handicapped homeless;

-- grants for moderate rehabilitation; and

-- technical assistance in establishing and operating the housing and providing support services.

#### KEY DATES

October (late): Proposed rule and guidelines to be published, establishing the program requirements in force until a final rule can become effective. The proposed rule will also publicize the availability of funds.

Spring 1988: Deadline for submission of applications.

#### V. SECTION 8 ASSISTANCE FOR SINGLE ROOM OCCUPANCY DWELLINGS

Administered by: Office of Housing

Contact: Lawrence Goldberger, Director, Office of Elderly & Assisted Housing, (202) 755-5720

Purpose: To finance development of 600-800 single-room housing units for occupancy by homeless individuals.

\* The program is funded as a component of the Section 8 Moderate Rehabilitation program, for which an additional \$35 million has been authorized for FY 87.

\* The program will be administered by the PHAs, which must submit applications for the funds. Decisions regarding PHA selections will be made in Headquarters, on the basis of demonstrated need and ability to undertake and complete a Moderate Rehabilitation program for the homeless.

\* Funds will be awarded on the basis of a nationwide competition, and no single city or urban county may receive more than 10 percent of the funds available.

\* Total cost of the rehab to be amortized through the rent cannot exceed \$14,000 per unit, except in circumstances of high construction costs or stringent fire or building codes.

\* Units must contain sprinkler systems for major spaces, and hard-wired smoke detectors and other fire and safety improvements as required by State or local laws.

\* Owners of the assisted units must agree to keep them available for occupancy by the homeless for 10 years.

#### KEY DATES

October 15: Notice of funds availability to be published with program requirements.

November 13: Applications due at HUD headquarters.

November 30: Review of applications and notification of selection.

#### VI. IDENTIFICATION & USE OF SURPLUS FEDERAL BUILDINGS FOR FACILITIES TO ASSIST THE HOMELESS

Administered by : Office of Housing

Contact: Lawrence Goldberger, Director, Office of Elderly & Assisted Housing, (202) 755-5720

Purpose: To identify and determine the utility of surplus Federal buildings and other Federal real property for facilities to assist the homeless.

\* HUD is authorized to collect information on properties described in surveys by the heads of controlling agencies as under-utilized.

\* The properties will be reviewed to determine their suitability as facilities to assist the homeless.

\* Federal buildings or property may be made available only through leases for at least one year; ownership of the properties shall not be transferred from the Federal government.

#### KEY DATES

A meeting will be held shortly between HUD and the General Services Administration (GSA) to develop program criteria.





TO: Anyone Who Can Use This Information

Note: this memo was originally written for use by Caritas Communities, Inc., a non-profit housing development organization in Quincy, MA which develops and manages single room occupancy buildings.

FROM: Michael R. Lapham

DATE: August 15, 1989

RE: The Rental Rehabilitation Program

I spoke with Veronica Collins at the City of Quincy (773-1380) regarding her use of the Rental Rehabilitation Program. The following is a summary of that program:

The Rental Rehabilitation Program provides between \$5,000 and \$8,000 per unit to landlords for rehabilitation of their rental properties. The maximum grant for efficiency units is \$5,000 per unit. The program is administered by Bob Card in the Department of Planning and Community Development (DPCD) at Quincy City Hall (773-1380 ext. 383). The City receives \$100,000 per year for the program, and has some additional money from recycled loans. According to Ms. Collins, the City has an interest in using as much of this money as possible so that the Federal Government does not reclaim it.

The Phipps Street Project, developed by the Quincy Affordable Housing Committee (QAHC) received a \$40,000 grant from the Rental Rehab program. Generally, the money is provided in the form of a 0% deferred loan, but since the QAHC had no capital, they persuaded the City to provide the money as a grant. Ms. Collins said that the process of applying for the money is fairly simple. A major drawback of the program is that any project receiving over \$10,000 from the program is required to notify the contractor's union regarding the job and must pay prevailing wages.

Mr. Card said that under the Federal regulations, 70% of the units must have at least two bedrooms. Additionally, at least 70% of the units in a project must serve low- and moderate-income tenants (below 80% of the Boston median income). He said that while the 70% two-bedroom requirement applies to the City's overall portfolio under the program, their policy is to require 70% two-bedroom units in each project in order to ensure that the overall 70% quota is met. However, DPCD made an exception to this policy for the Phipps Street project, and he said that it would be possible for them to do so again, especially since the SRO units at Phipps Street were be counted toward the FY89 percentage. He said DPCD generally funds about 50 units per year under the program, which would allow for approximately 15 units with fewer than two bedrooms.

To apply for funding under the program, you must submit a pre-application form to DPCD (attached). Applications are accepted at any time throughout the year. The pre-application will be reviewed in one week by the DPCD staff, at which point a determination will be made as to whether they will fund the project. A final application would then be prepared. Due to the above quota, projects with two bedrooms or more would be given priority, but if the money and the capacity to do smaller units are available, an SRO project would be funded. If a project were vacant at the time of the application, DPCD would need assurances regarding eventual occupancy by low- and moderate-income persons.

Loans under the program are repaid without interest between years 6 and 15. In addition to the loans, qualified tenants in the project are given Section 8 Vouchers. Tenants fill out an income qualification form for DPCD which is approved by the Housing Authority. Tenants then sign a one-year Housing Assistance Payment (HAP) contract with the Housing Authority, which is renewed every year. Since the program provides Vouchers and not Certificates, the Vouchers go with the tenants when they move.

Miscellaneous: The attached regulations refer to "open marketing" of the units upon vacancy. Mr. Card assured me that this only means that available units must be marketed to low- and moderate-income persons, but that the project management may select whoever it wants for the units. Also note that Attachment A referred to on page 5 is no longer applicable because the Housing Authority handles income qualification. Attachment B is no longer applicable because the program can now be used anywhere in the City of Quincy.

#### Other Sources of Funds used with the Phipps Street Project

The Phipps Street project received \$20,000 from the State's Abandonment Program for the expense of moving the house. The Abandonment Program, as you may know, is administered by Bridgett Nedzi (727-7004) at EOCD.

The project also received \$10,000 worth of work from the State's Weatherization Program. Under this program, the work is provided by the State's own work crew, but the recipient decides where they would like the work done (e.g. doors, roof, windows). She said there was some difficulty is scheduling the work crew with their own contractors, but it was certainly worth the trouble. The Weatherization Program in Quincy is administered by Bob Cosgrove, the Director of Quincy Committee Action Program, Inc. (479-1655). She said that he is very good to work with.

2606Y/90

# THE CITY OF QUINCY MASSACHUSETTS

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**Robert Card**  
FINANCE SPECIALIST

**The Department of Planning and Community Development**

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305 Hancock Street • Quincy, MA 02169 • 617/773-1380, extension 383

383



Department of Planning and Community Development

1305 HANCOCK STREET, QUINCY, MASSACHUSETTS 02169

RICHARD H. MEADE  
DIRECTOR

Francis X. McCauley  
MAYOR

OFFICE OF HOUSING REHABILITATION  
Peter R. MacPherson  
Program Manager

CITY OF QUINCY

RENTAL REHABILITATION PROGRAM

Mail/Deliver Applications To:

Office of Housing Rehabilitation  
Department of Planning and  
Community Development  
1305 Hancock Street  
Quincy, MA 02169

Information For  
Owners of Rental Housing Properties in Quincy

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THE QUINCY RENTAL REHABILITATION PROGRAM is a federally-funded housing improvement program managed through the Office of Housing Rehabilitation by the City of Quincy. The PROGRAM IS DESIGNED TO:

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1. Rehabilitate rental units which are now substandard or have major building components which will soon need repair or replacement.

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  2. Provide a rental income to an owner that will repay rehabilitation costs, meet monthly operating expenses and allow a reasonable profit on the owner's investment in the property; and

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  3. Provide rental subsidies to lower income families and elderly persons living in the rehabilitated units.
- 

HERE IS HOW THE PROGRAM WORKS

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1. Application                      An owner submits an application to the Housing Rehabilitation Office in response to a public advertisement requesting proposals.

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  2. Selection of Projects              The Housing Rehabilitation Office will inspect the owner's rental unit(s), determine the work items necessary to bring the unit(s) up to program standards and estimate the cost of these improvements. To be eligible for the program, a unit must require improvements costing a minimum of \$850 and have a substandard condition as defined by local housing codes. Taking into account current rents and the estimated cost of required improvements, the Housing Rehabilitation Office will determine the financial feasibility of an owner's proposal. Owner proposals will be selected based on the Housing Rehabilitation Office's evaluation of all feasible proposals. The Housing Rehabilitation Office will also determine whether the tenant occupying the unit to be rehabilitated is eligible to receive assistance under the program. Both vacant units and units currently occupied by eligible tenants may be assisted; if not all tenants are eligible, a building may be partially assisted.
-

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3. Activities prior to rehabilitation

The Housing Rehabilitation Office will assist the owner(s) to prepare rehabilitation work write-ups, to select a contractor and to prepare contract agreements.

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4. Housing Assistance Payments (HAP) Contract

Upon satisfactory completion of the rehabilitation work, the Quincy Housing Authority, the owner and the eligible tenant(s) will execute a one-year HAP Contract. This Contract establishes the rent for the unit(s), obligates the Housing Authority to pay a rent subsidy and describes the rights and responsibilities of the owner and the Housing Authority throughout the term of the lease.

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5. Leasing

The initial occupant of a rehabilitated unit may be either the owner's present tenant or if the unit is currently vacant, a tenant selected by the owner from the agency's waiting list or any other eligible family. The owner is responsible for managing and maintaining the unit throughout the contract period.

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6. Monthly rent payments

The tenant family pays approximately 25-30 percent of its income toward the rent specified in the HAP Contract. The agency pays the remainder of each month's rent directly to the owner.

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BENEFITS OF THE PROGRAM TO AN OWNER

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1. Property upgraded

The owner's property is upgraded and its value increased.

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2. Adequate rents

Rents cover all normal operating expenses, repay the rehabilitation cost and allow a reasonable return on owner equity.

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3. Rent adjustment provisions

After the HAP Contract is executed, rents are adjusted annually to keep pace with general cost increases.

4. Rent paid on time

Guaranteed prompt payment of the Quincy Housing Authority's part of the rent each month.

5. Current tenant may be assisted

Assistance can be provided to current eligible lower income tenants.

6. Potential tax benefits

Potential opportunity for five-year depreciation of improvements. (An owner should contact a tax consultant for information concerning the tax benefits of rehabilitating residential property for occupancy by lower income tenants.)

---

QUESTIONS YOU MAY HAVE

What are the rents allowed under the program?

Rents are not controlled under this program! However, the Housing Rehabilitation Office will work closely with the owner to see that the amount of rehab done to the owner's property will not "price out" or displace lower income persons. For units occupied by assisted tenants, there are maximum rents by bedroom size. The maximum rents (assuming all utilities paid by the owner) for Quincy are as follows:

Bedroom Size				
0	1	2	3	4
560	681	803	1002	1123

If an owner's expenses increase, can the rent be adjusted?

For assisted tenants, the program allows regular annual rent adjustments on the anniversary date of the HAP Contract. In addition, the program allows special rent adjustments to cover rate increases in property taxes or utilities.

What are the requirements for eligibility of current tenants?

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To be considered for funding, an owner must have at least one tenant who qualifies as a lower income person or family. Since funds are limited, the more units in a single property rented to lower income tenants, the better the chances that property will be selected for funding. The income limits which define lower income are listed in Attachment A.

What kind of housing is eligible?

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Any type of rental housing which contains ten (10) units or less and requires rehabilitation costing at least \$850 per unit to meet program standards is eligible. Mixed-use properties are also eligible provided at least 51 percent of the rentable floor space of the building after rehab is used for residential rentals.

What types of repairs and costs are eligible?

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The types of repairs eligible for funding are quite varied. First priority is given to eliminating substandard or unsafe conditions, like faulty wiring or a rotten porch. Second priority is then given to repair of the major elements of a structure, as in roofs, windows, foundations, heating systems, electrical systems, and so on. Energy-related improvements which further decrease the costs of operating the property are thus eligible. If the owner chooses to hire an architect or an engineer to design the improvements, these fees are also eligible for program funding.

How much financing can I Obtain ?

---

The City of Quincy will provide 50% of the total cost of rehabilitation up to the maximum of

Eff.	\$5000.00 per unit
1BR	\$6500.00 per unit
2BR	\$7500.00 per unit
3BR	\$8500.00 per unit

The owner is responsible for the other 50% and any rehab amount which exceeds the Maximum per unit.



What are the terms of this City financing?

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The City's financing is in the form of a loan with a term of fifteen (15) years and a zero percent interest rate (principal only is to be repaid). Payments are forgiven the first five (5) years of the term, commencing in the sixth (6th) year for a total of 120 equal monthly payments.

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Does the program operate City-wide?

No. Only certain City neighborhoods meet the eligibility requirements of this program. For a description of the boundaries of these neighborhoods, please refer to Attachment B.

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What kind of assistance will the agency provide to the owner during rehabilitation?

The Housing Rehabilitation Office will help the owner prepare work write-ups, obtain and evaluate contractor bids, select a contractor and monitor construction quality. Owners are allowed to use their own contractors, although the cost and amount of rehab are to be monitored by the Housing Rehabilitation Office.

---

How much paperwork is involved after the unit is rehabilitated?

Very little, most of which is completed by the Quincy Housing Authority. Once the HAP contract is signed, there is no routine paperwork required in order to continue participation in the program. To receive an annual or special rent increase, the owner will be required to submit a minimum amount of information to the agency. When the unit becomes vacant, the owner will have to undertake an open marketing of the unit and will have to maintain some records regarding this effort.

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Are there any other requirements regarding this City financing?

Yes, two: A restriction against condominium conversion and a requirement that an owner not discriminate against present or prospective tenants on the basis of their eligibility or receipt of housing assistance or on the presence of a minor child or children in a family unit. Both of these requirements remain in effect for the first ten (10) years of the loan term.

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How do I go about  
obtaining this  
financing?

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At several times during the year, the City will announce the availability of rental rehab funds, giving a specific date for the receipt of an owner's application. To find out when the next round of financing will take place and to obtain an application form, either call or write the following office:

Office of Housing Rehabilitation  
Department of Planning and  
Community Development  
1305 Hancock Street  
Quincy, MA 02169  
773-1380, Extension 397

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Application for each deed.

CITY OF QUINCY  
OFFICE OF HOUSING REHABILITATION  
1305 Hancock St, Quincy MA. 02169  
PRE-APPLICATION

RENTAL REHABILITATION PROGRAM

A. Property owner Applicant (if different from property owner)

NAME: \_\_\_\_\_

NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Telephone: \_\_\_\_\_

Telephone: \_\_\_\_\_

Form/Type of Ownership: \_\_\_\_\_

Explain relationship between Owner and Applicant if different:

\_\_\_\_\_  
\_\_\_\_\_

B. BUILDING

ADDRESS: \_\_\_\_\_

Approx. date of original construction \_\_\_\_\_ No. of Stories \_\_\_\_\_

Structure Type:  Elevator  Walk-up/Garden Apartment  
 Row/Townhouse  Detached  Semi-Detached

Other \_\_\_\_\_

Date of purchase: \_\_\_\_\_

Outstanding Indebtedness: \$ \_\_\_\_\_

Name(s) of Mortgagee(s): \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

C. TOTAL NUMBER OF UNITS IN PROPERTY: \_\_\_\_\_

Are any units owner occupied: \_\_\_\_\_

Total number of units to be rehabilitated under this program \_\_\_\_\_

D. For the units listed on Line C, furnish the name, size of household, apartment number, and telephone number of the residing tenants; and complete additional data. If the proposal is accepted as feasible, the listed tenants will be contacted by the agency to determine eligibility for a section 8 rental subsidy.

Unit Number, Street Number or Apt Number	Number of Bedrooms	Current monthly rent	Name of Head of Household	Telephone Number	Size of household	Female head of household (yes or no)	Elderly head of household. (yes or no)	Race of head of Household 1= White, not Hispanic 2= Black, not Hispanic 3= American Indian/ Alaskan Native 4= Asian/ Pacific 5= Islander Hispanic	INCOME (Percent of area median) 1= at or below 50% 2= 51%-80% 3= Above 80% 4= Not available

\* IF UNIT IS VACANT, WRITE "VACANT" UNDER NAME OF HEAD OF HOUSEHOLD.

\*\*USE INCOME LIMITS PROVIDED IN THE INCOME FACT SHEET.

E. UTILITIES (insert 0 if furnished by owner and include in the rent,  
T if furnished by the tenant)

ITEM	OIL	ELECTRIC	GAS
HEAT			
HOT WATER			
COOKING FUEL			
ELECTRICITY			

Do all units have the same utility arrangement? \_\_\_\_\_

If not, provide additional data on the variances:

F. BRIEF DESCRIPTION OF ANTICIPATED REHABILITATION WORK

1. Major systems and common elements to be repaired/replaced

2. Anticipated improvements to individual unit(s):

UNIT NO.

WORK ITEMS:

3. Owners estimated cost: \$ \_\_\_\_\_

G. CERTIFICATION

I/WE hereby certify that there will be no descrimination upon the basis of race, color, creed, or national origin in the sale, rents lease or use of occupancy of the property that is rehabilitated with CITY OF QUINCY REHABILITATION loan funds.

The applicant certifies all information in this application is true to the best of his or her knowledge and belief. Verification may be obtained from any source named herein.

\_\_\_\_\_  
Social Security Number

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Social Security Number

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date



TO: Anyone Who Can Use This Information

Note: this memo was originally written for use by Caritas Communities, Inc., a non-profit housing development organization in Quincy, MA which develops and manages single room occupancy buildings.

FROM: Michael R. Lapham

DATE: August 15, 1989

SUBJECT MATTER: Neighborhood Housing Services

I spoke with Veronica Collins at the City of Quincy (773-1380) and Normand Grenier regarding Neighborhood Housing Services. The following is a description of funding offered by NHS.

### Neighborhood Housing Services

Neighborhood Housing Services is a local branch of the Neighborhood Reinvestment Corporation headquartered in Washington, D.C. NHS has an office at Quincy Point; the contact person is Normand Grenier (770-2227). According to Ms. Collins, NHS receives most of its money from the State, but also receives some entitlement money from the City of Quincy, both for operations and loans.

The Phipps Street project received a \$50,000 grant at 7% for 30 years, which is not payable until occupancy. Ms. Collins, who sits on the Board of NHS, said that NHS is always looking for projects to loan the money to. She said the process was even simpler than applying for funding under the Rental Rehab Program: a short application, a little bit of paperwork and some financial arrangements (signing the note, etc.). She said there were very few constraints on the use of this money, and that she used it for reimbursing architects and others for soft costs before construction.

I also spoke with Mr. Grenier at NHS. He said that NHS' mission is to undertake neighborhood revitalization in or near the Quincy Point and Southwest Quincy neighborhoods. He said that their activities do not generally involve granting money to other nonprofits, but if a project was in or near one of these areas, it would be possible to do so. He said that it is questionable whether NHS would fund a project as far away as North Quincy, for example.

In order to fund the Phipps Street project, he needed to do some work with his Board to get them to make certain amendments to their charter which would allow them to loan the money. He also mentioned that the arrangements for the deal included selling certain other loans to a nonprofit organization in California in order to raise the money for this loan.



He said that NHS consists of a staff of four people, and 100 "corporate members." According to Mr. Grenier, much of NHS' funding comes from CRA money from various banks and from other corporate entities, many of which have representatives on NHS' Board. He stated that since the banks see their involvement as corporate philanthropy, they would prefer "non-controversial" projects, preferably with community support. I also got the impression from speaking with him that he would probably want to be involved in the planning and development of any project that NHS funded. He offered his help in locating either land or a building, and offered the help of his Board as well. He also went as far as suggesting that he would be interested in a joint project between Caritas, the QAHC, and NHS.

He suggested that NHS's expertise is largely in working with neighborhoods to garner their support for projects. He mentioned a project near Water and Quincy Street where NHS helped defuse neighborhood opposition, and a project located a few blocks away for the NHS office where a group had proposed housing for the mentally handicapped in a single family neighborhood but had met with great opposition. He felt that if NHS had been involved, they might have been able to find a better site and/or help work out the situation. My sense is that he would not be comfortable with Caritas' more low-profile approach to developing affordable SRO Housing.

2607Y/90

## **WHAT IS QUINCY NEIGHBORHOOD HOUSING SERVICES?**

This Directory was written by the staff of Quincy Neighborhood Housing Services, a non-profit corporation. The major goal of Quincy Neighborhood Housing services is neighborhood revitalization for the benefit of current residents. Through a partnership of neighborhood residents, businesses, financial leaders and local government officials, Quincy Neighborhood Housing Services is systematically improving and upgrading amenities in Quincy Point and Southwest Quincy.

The following programs are provided by Quincy Neighborhood Housing Services:

### **Financial Counseling**

Provision of advice on home improvement financing, credit sources and assistance obtaining a home improvement loan through local financial institutions.

### **Rehabilitation Counseling**

Identification of property repair needs, preparation of work specifications, estimates and assistance in finding qualified contractors.

### **Revolving Loan Fund**

For applicants who cannot qualify for conventional financing, but who need financial assistance, NHS arranges a home improvement loan at an interest rate and term based on the applicant's ability to pay.

### **Construction Monitoring**

Assistance in monitoring the work of contractors to assure quality work during rehabilitation projects.

### **Energy Conservation Services**

Information, conservation counseling, low interest loans.

### **Community Organization**

Quincy NHS developed the Quincy Point Resources Committee, a neighborhood self-help group, to provide a mechanism of addressing community concerns. A neighborhood organization in Southwest Quincy, the S.W. Community Relations Committee, is also sponsored by Quincy NHS.

### **Referrals**

Coordination with the office of Housing Rehab ( City of Quincy) to see that clients apply for any programs available, from Commercial improvements to Weatherization and Home Repair Grants.

### QUINCY NHS BOARD OF DIRECTORS

1. **Thomas Barrett:** Mr. Barrett is an attorney for a Quincy law firm. He grew up in Quincy Point and owns property there.
2. **Stephen Cantelli:** Mr. Cantelli is a Southwest Quincy resident and a teacher in the Quincy Public School system.
3. **Veronica Collins:** Ms. Collins is a member of the Department of Planning and Community Development for the City of Quincy.
4. **Forrest Cook Jr:** Mr. Cook is President of the South Shore Bank.
5. **Agnes Crosson:** Mrs. Crosson has been a homeowner in Quincy Point for over twenty years. She works in a counseling agency in Quincy Center.
6. **Arthur Foley:** Mr. Foley is a Quincy resident and the Administrative Assistant to the Mayor of Quincy.
7. **Joseph Hajjar Jr.:** Mr. Hajjar is a Quincy resident who grew up in Quincy Point and owns a sports pub in the neighborhood.
8. **Carol McGhee:** Ms. McGhee is a resident of Quincy Point and a member of the Quincy Point Congregational Church.
9. **Rhonda Merrill:** Ms. Merrill, a resident of Quincy Point, is Office Manager at a food services business in Southwest Quincy. She is active in neighborhood and women's issues.
10. **Charles Pearce:** Mr. Pearce is Chairman of the Board and Chief Executive Officer of Quincy Savings Bank.
11. **Richard Peterson:** Mr. Peterson is an engineer by profession, with a concentration on building renovation and preservation. He is a resident of Quincy Point.
12. **Martha Robinson:** Mrs. Robinson, a retired Quincy teacher, is a life-long resident of Southwest Quincy who has been active in civic affairs for more than forty years.
13. **Kevin Shea:** Mr. Shea is a member of the Department of Planning and Community Development for the City of Quincy.
14. **Carl Soderstrom:** Mr. Soderstrom, a letter carrier for the U.S. Postal Service, is a life long resident of Quincy Point, and is a board member of several community organizations.
15. **John Sullivan:** Mr. Sullivan is a vice-President and loan officer at the Bank of New England South. He is also a resident of Quincy Point.
16. **Mary Weafer:** Ms. Weafer is a Quincy homeowner, former city planner, and present owner of a Quincy printing business.



# Quincy Neighborhood Housing Services

444 Washington Street  
Quincy, MA 02169

Normand Grenier  
Executive Director

770-2227



# Neighborhood Reinvestment Corporation

A congressionally-chartered, public nonprofit corporation, Neighborhood Reinvestment was established in 1978 (P.L. 95-557) to continue the efforts of the Urban Reinvestment Task Force. Its mission includes the revitalization of declining lower income neighborhoods for the benefit of their current residents, and the provision of affordable housing to neighborhood residents.

The Corporation achieves these goals primarily through the development and support of local neighborhood-based partnerships. The most widely known of these is the Neighborhood Housing Services (NHS) program, a partnership of neighborhood residents, business leaders and local government officials.

These and other local partnership organizations form the NeighborWorks system—the nation's largest and most successful systematic approach to neighborhood revitalization. NeighborWorks members are at work in 243 neighborhoods in 138 cities across the country. An additional 61 formerly-declining neighborhoods have been returned to substantial self-reliance through the efforts of NeighborWorks members.

As the anchor for this national system of local partnerships, Neighborhood Reinvestment provides a range of training and technical assistance to help each local partnership establish neighborhood goals and develop the strategies needed to achieve those goals.

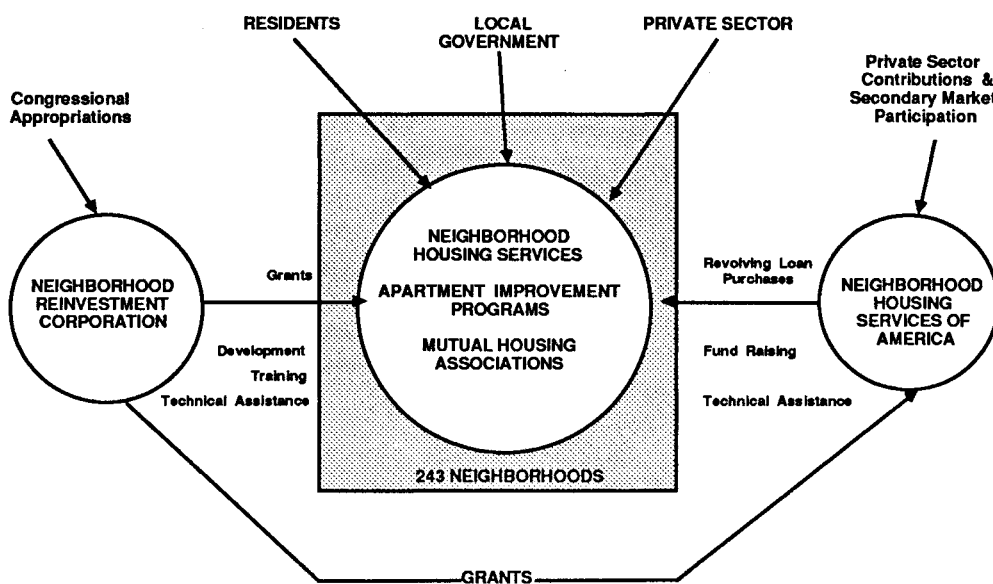
Neighborhood Reinvestment also makes small seed money grants to the local partnerships, which are matched many times over by contributions from local governments, businesses and foundations. In addition, the Corporation provides grants to Neighborhood Housing Services of America, the system's national secondary market.

The Corporation received an \$18.7 million federal appropriation in fiscal year 1988. Since 1974, a total expenditure of \$145 million in federal appropriations by the Corporation and its predecessor has produced an impact of more than \$4 billion in neighborhoods across the country.

The Corporation's board of directors is composed of a Governor of the Federal Reserve, the Comptroller of the Currency, the Secretary of Housing and Urban Development, the Chairman of the Federal Home Loan Bank Board, the Chairman of the Federal Deposit Insurance Corporation, and the Chairman of the National Credit Union Administration.

Although the Corporation is headquartered in Washington, D.C., the majority of its staff are based in nine districts across the country to better assist the local partnerships they serve.

## The NeighborWorks<sup>SM</sup> System





## M E M O R A N D U M

TO: Anyone who wants to use it

FROM: Mike Lapham

DATE: October 4, 1989

SUBJECT MATTER: City of Boston Linkage Program

The following is a brief summary of the Linkage program structure, followed by a description of the process of applying for funding under the program. Attached hereto are:

1. The most recent Request for Proposals (RFP) under the program;
2. Articles 26, 26A and 26B of the Boston Zoning Code;
3. A glossy brochure printed in 1988 summarizing the program; and
4. Excerpts from two applications under the program.

### Summary

Put simply, the Linkage Program requires that developers contribute \$6 for each square foot of construction in buildings above 100,000 sq. ft. to a linkage fund administered by the Neighborhood Housing Trust (NHT). This money is then used by the NHT to create jobs and assist affordable housing projects in the City.

There are three primary mechanisms through which this transfer is made:

1. The developer may give all of its linkage payment to the NHT, which in turn distributes the funds through a yearly funding competition. In the downtown area, 10% of these funds are dedicated to the neighborhood surrounding the new building (20% in areas outside downtown).
2. Under the so-called "Housing Creation" option, the developer may opt to dedicate its linkage payments directly to one or more low-income housing developments of its choice. This process is usually facilitated through the Public Facilities Department (PFD) and is generally used only by developers who are making linkage payments of between \$800,000 and \$2 million; or
3. The developer may choose to develop the low-income housing itself or may include the housing as part of the project being proposed.

Linkage payments by a developer are made over a period of seven years. The attached glossy brochure, printed in early 1988, contains a considerable amount of data from the first several years of operation of the program, as well as descriptions of many of the housing projects assisted under the program.

### The Neighborhood Housing Trust

The NHT has 7 trustees, each of whom serves a two-year term. At present, the Trustees are:

Hon. Bruce C. Bolling	City Council Pres (Ex Officio)
Lee Jackson	City Collector/Treasurer ("
Lawrence Dwyer	Chairman (Mayoral Appointee)
John Connolly	Mayoral Appointee
Mariena Richardson	"
Francis O'Brien	"
Lawland Long	"

### Availability of Funds and Program Uses

Eligible applicants may be private, public, non-profit or for-profit development entities or private individuals, provided there are no outstanding issues with respect to taxes, arson, discrimination, rent equity, condominium conversion, loan defaults or bankruptcy (see p. 4 of RFP).

Bob Gehret (720-4300 x333), who administers the program at the PFD, said that the program is designed to provide the flexibility that is not available under the Federal Community Development Block Grant (CDBG) programs administered by the City. Under most CDBG programs, the sponsoring entity must be a Massachusetts Chapter 180 non-profit, neighborhood-based organization. The Linkage Program allows statewide groups and others that do not fit the Chapter 180 definition to develop affordable units in Boston.

Eligible projects may be owner-occupied, rental, cooperative or other forms of permanent, transitional or temporary housing. The projects described in the attached brochure vary greatly. They include, for example, co-op units, SRO units, an alcohol recovery home, and a HOP project.

The attached RFP (from Fall, 1988) states that NHT may distribute its funds in the form of gifts, grants, interest-bearing or non-interest-bearing secured loans. Linkage funds have also been used as bridge financing, loan collateral, and mortgage escrows. The Linkage Program does not fund annual operating expenses or rental subsidies. Other restrictions on use of Trust funds are listed at the bottom of page 4 of the RFP. Included among these are: compliance with the Boston Jobs Ordinance, which require that jobs go to at least 50% Boston residents, 25% minorities and 10% females (see also page 11 of the RFP); and compliance with the Boston Fair Housing Plan.



Bob Gehret stated that the Trust generally provides loans to large rental projects, while reserving grants for its smaller projects, including shelters, which have little income from operations. He cited Bridge Over Troubled Water and a transitional housing facility developed by Operation Food, Inc. as projects similar in scale and type to Caritas' projects (excerpts from their applications are attached). Bridge Over Troubled Water consists of two components: half is single room occupancy housing for single adolescents, and the other half is transitional housing for pregnant and parenting teens. Operation Food's project will provide congregate living for 10 homeless pregnant women.

### Application Process and Requirements

Trust Funds are distributed primarily through an annual RFP which is mailed out to organizations on the Trust's mailing list. If Caritas is not already on the Trust's list, a request to be added to the list should be sent to Lawrence Dwyer, Chairman, Neighborhood Housing Trust, 1010 Massachusetts Avenue, Boston, MA 02118, Attn: Elaine Ginn.

Organizations are given 45 days from the date of distribution of the RFP to submit an application. The applications are then reviewed by NHT in conjunction with the PFD and the Boston Redevelopment Authority (BRA). Applicants are encouraged to solicit community comments to be submitted with the application. The review criteria are fairly standard, including degree of affordability, development and management experience, readiness to proceed, and certain other project benefits (see page 6 of RFP). Bob Gehret stated that the key factors in this evaluation are the project's readiness to proceed and the efficient use of funds (i.e. "bang for the buck"). In addition, projects that have not looked elsewhere for funding will not be taken seriously - Linkage awards are intended to be made only where a project would not go forward "but for" these funds. Bob said that cash grants average between \$8,000 and \$12,000 per unit for small projects, with rental projects on the lower end of that range. In some rare cases, grants have been as high as \$25,000 to \$50,000 per unit.

The RFP contains forms for various reports which are to be submitted with the application. These include a financial disclosure form, an affirmative marketing plan, and reports from the Arson Commission, the Fair Housing Commission, the Rent Equity Board, and the Tax Title Division. Bob Gehret said that usually the only difficult items among these are back property taxes and issues with the Rent Equity Board where a vacant building was never taken off their list. He also noted that projects that have not gone through a community feedback process will run into trouble at this stage, and that projects without site control will not be considered.

Within 60 days of the deadline for applications, the NHT must hold a public hearing on all eligible projects. Project sponsors will be asked to give presentations and answer questions. After this hearing, the Trustees vote to award funds and hold another public hearing on the finalists that they intend to fund. Projects that are not funded immediately are assisted in obtaining other financing (through PFD, MHFA, BRA, etc.), or are held for later funding by NHT (see page 1 "Housing Creation"). As Bob has said before, if a project is good, they will find a way to fund it.

After funds are awarded, the grantee and the Trust execute a Housing Payment Agreement (see Appendix 2 of RFP). Ongoing monitoring of projects will be carried out by other City agencies designated by the NHT.

### Current Linkage Program Status

The NHT is currently preparing estimates of the amount of money that will be available in the coming months (they can't fund until they have the money). The next funding awards will probably be made in March, 1990. Working backwards from that date, applications would be due in December, and RFPs should be distributed some time in November.

Bob suggested working closely with a project manager at PFD prior to submitting an application under the program. Not only will this be helpful in completing the application itself, but the project manager will also be very helpful in identifying other sources of available funding for the project. Bob stressed that for an SRO or lodging house project, it is important to keep in contact with Janet Van Zandt, who works with a number of funding programs (720-4300 x362).

For the most part, it appears that the Linkage Program would fit in with Caritas' work. Please let me know if you would like me to look into the program any further at this point. I hope we can also talk about the possibility of my helping you with an application under the program.

### McKinney Funding Update

Bob said that the House and Senate have both passed budgets containing increased McKinney Act funding, but the two budgets differ. A conference committee will take up those differences next week. He expects that a funding round for the Section 8 Mod Rehab SRO Program will be held some time around March of next year.

2609Y/90

**REQUEST FOR PROPOSALS**  
**for**  
**Affordable Housing**

**Creation and Preservation**

**City of Boston**  
**Raymond L. Flynn**  
**Mayor**

**Neighborhood Housing Trust**

*Lawrence Dwyer*  
Chairman

*Lee Jackson*

Managing Trustee, Ex-Officio

*Honorable Bruce C. Bolling*

Trustee, Ex-Officio

*John Connolly*

Trustee

*Mariena Richardson*

Trustee

*Francis O'Brien*

Trustee

NEIGHBORHOOD HOUSING TRUST  
REQUEST FOR PROPOSALS

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	2) Related City Policies	
	3) Sample Housing Payment Agreement	

## I. ANNOUNCEMENT OF FUND AVAILABILITY

The Neighborhood Housing Trust of the City of Boston is pleased to make available through this competitive Request for Proposals linkage funds to promote the creation and preservation of affordable housing in the City of Boston. Proposals may include requests for funds to assist any housing creation or preservation project meeting the eligibility criteria specified in the Request for Proposals.

The Neighborhood Housing Trust is making these funds available to provide supplemental financial support to affordable housing development projects requiring a limited amount of additional resources for purposes such as increasing the number of affordable housing units, increasing the level of affordability of the housing units or closing a financing gap. It is the intent of the Neighborhood Housing Trust that the limited amount of linkage funds be used as efficiently and creatively as possible to maximize the creation and preservation of affordable housing.

Proposals for allocation of funds must be submitted to:

Lawrence Dwyer, Chairman  
Neighborhood Housing Trust  
52 Chauncy Street  
Boston, MA 02111

All proposals which are timely, complete, and which meet the eligibility requirements established in the Request for Proposals shall be reviewed by the Neighborhood Housing Trust. After initial review and screening of proposals, the Neighborhood Housing Trust will hold a public hearing within 45 days concerning all proposals deemed finalists. The Neighborhood Housing Trust may then vote to fund only proposals deemed consistent with the intent of Trust.

## II. THE BOSTON NEIGHBORHOOD HOUSING TRUST

### IIa. Intent

The Boston Neighborhood Housing Trust was created to promote the creation and preservation of affordable housing for the low and moderate income residents of Boston's neighborhoods. The Trust is thus charged with the responsibility of ensuring that Trust resources

are distributed in an equitable and efficient manner.

The Board of Trustees includes the Collector-Treasurer of the City of Boston and the President of the Boston City Council as ex-officio members, and five additional members appointed by the Mayor of Boston.

A) OPERATIONS OF THE TRUST

1. Fund Availability. The funds that are being made available are a result of development impact contributions made by developers of downtown commercial space as required in Boston's Linkage program. Each year the Trustees will determine the amount of funds to distribute in that calendar year, and how and when to distribute them. Requests for Proposals will be the primary method of distribution. The Trustees will determine at the issuance of each RFP the appropriate amount of funds to be available for that funding round.

2. Funding Decisions. Only through a majority vote of the Board of Trustees can commitments of the Trust resources be allocated. Applicants will have a minimum of 45 days from the date of a Request for Proposals is issued to submit proposals. No later than 60 days after the deadline for submitting proposals, the Neighborhood Housing Trust must hold a public hearing to allow public comment on proposals deemed finalists or on other proposals if the Trust does not select finalist, whichever the case may be. Only after the public hearing may the Trustees vote to award Trust resources to one or more, if any, of the individuals or organizations submitting proposals.

B) PROCEDURES FOR OBLIGATIONS AND MONITORING THE USE OF TRUST FUNDS

1. Letter of Award. The Trust shall notify parties selected to receive Trust distribution through a letter of award. Letters of award shall indicate the amount of funds to be obligated, when such funds shall be available, and the terms and conditions which shall apply to the award. The letter of award shall specify that no funds shall be released until execution of a Housing Payment Agreement between the Trust and such grantee.

2. Housing Payment Agreement. Upon countersignature of the letter of award, the Trust and grantee shall develop and execute a housing payment agreement which specifies in greater detail how the awarded funds shall be disbursed and monitored. At a minimum, such housing payment agreement shall specify the timing of disbursements, the mechanisms required of the grantee to ensure long-term affordability, and the monitoring and enforcement procedures to be employed by the Trust to ensure compliance with the terms and conditions of the award. A sample Housing Payment Agreement is included in Appendix 2.

Where appropriate, Housing Payment Agreements shall be supplemented by a loan and mortgage note or other financial documents.

The Managing Trustee will release funds upon receipt of certification from the administering agency that all conditions associated with any funding commitment have been met. The Trust may rescind any commitment if, in the opinion of the Trust, the applicant has failed to meet the conditions of the funding commitment, has substantially altered the project or has failed to meet the proposed project schedule.

3. Certification of Initial Compliance. Within 60 days of completing the housing development or preservation project for which Trust funds have been awarded, the grantee shall submit an affidavit of compliance to the Trust indicating the grantee's current compliance with all terms of the award. Failure to submit an affidavit or demonstration of non-compliance shall be grounds for revoking the award or taking such other enforcement actions as the Trust deems appropriate.

4. Monitoring Procedures. The Trust may delegate the monitoring of projects which have received funds to other City agencies which shall monitor projects to which the Trust has granted funds to ensure continuing compliance with the conditions of award and to recommend enforcement actions in the case of non-compliance.

#### C) FISCAL AGENT

The Managing Trustee or his/her designee will act as the fiscal agent for the purposes of disbursing and receiving funds.

#### D) PROJECT REVIEW AND OVERSIGHT

The Public Facilities Department of the City of Boston and the Boston Redevelopment Authority will assist the Trust in the review, evaluation and administration of Trust funded projects, including ongoing technical assistance and project oversight. The Public Facilities Department will coordinate all additional State and Federal resources being used in Trust funded projects.

#### E) TYPE OF ASSISTANCE AVAILABLE

The Neighborhood Housing Trust may distribute its funds in the form of gifts, grants, interest bearing or non-interest-bearing secured loans to project sponsors.

#### III. APPLICANT ELIGIBILITY REQUIREMENTS

Private, public, non-profit, and profit development entities or private individuals can be considered eligible for receipt of Trust funds if the applicants meet the following standards:

1. Applicants are not delinquent in the payment of taxes to the City of Boston nor are there taxes outstanding and not yet under payment agreement with the City of Boston;
2. Applicants have not been convicted of arson or arson-related crimes, nor have arson-related charges pending;
3. Applicants have not been convicted of discrimination in the sale or lease of housing or any other violation of fair housing laws as applicable in the City of Boston, and do not have outstanding unresolved complaints of violation of fair housing laws;
4. Applicants do not have any outstanding unresolved complaints regarding the City of Boston's rent equity, fair housing, or condominium conversion laws.
5. Applicants have not filed for bankruptcy or have not experienced loan default over the past five years.

#### IV. PROJECT ELIGIBILITY REQUIREMENTS

Projects containing owner-occupied, rental, cooperative or other forms of permanent, transitional, or temporary housing may be eligible for receipt of Trust funds, whether they are developed through new construction, rehabilitation of abandoned housing, conversion of non-residential property, or rehabilitation or preservation of occupied residential property, if they meet the following criteria:

1. The affordable units would not be created but for the Trust funds requested.



2. Trust funds shall be used solely to assist the affordable units. Projects may contain units to be occupied by households of various incomes, but Trust funds may not be used to directly benefit households other than those occupying the affordable units. See Section VII, Pgs. 8 through 10 of this RFP for definitions and further information on the affordability provisions.
3. All Trust funds shall be used to assist the creation or preservation of housing. The project may contain non-residential uses, but Trust funds shall not be used to assist non-residential uses.
4. Units for which Trust funds are requested shall remain affordable for a minimum of fifteen years.
5. The project is financially feasible.
6. The project's applicant has site control.
7. The project shall comply with the provisions of the Boston Jobs Ordinance.
8. Housing units to be produced or rehabilitated or preserved shall meet the requirements of the state sanitary and building codes upon completion..
9. Housing units created or preserved shall be made available in accordance with the City of Boston Fair Housing Plan and other applicable fair housing and equal opportunity requirements as provided by law.

#### V. PROCEDURES AND CRITERIA FOR REVIEW OF APPLICATIONS

##### 1. Review Procedures

The Trustees shall review all applications which are appropriately submitted to the Trust. After initial review, the Trustees may request further materials to explain or modify any proposal and may upon request allow proponents an opportunity to amend their applications.

The Trust encourages all applicants to actively solicit community comments during the development of their proposals, and the Trust will review all community comments submitted with applications or submitted separately to the Trust.

After accepting and reviewing applications and comments, the Trustees may vote to approve all, some, or none of the applications they have received.

## 2. Review Criteria

The Trustees shall review the extent to which eligible submitted proposals meet the following review criteria in order to determine which, if any, best meet the purposes of the Trust and the needs of the City.

- a) The total number of affordable units to be developed in the project.
- b) The percentage of the project's units which are affordable units.
- c) The amount of Trust funds requested per affordable unit to be developed. The total percentage of development cost requested and the demonstrated ability for securing additional resources (for the specific projects) will be key consideration.
- d) The developer's capacity, determined through consideration of the developer's history in completing projects of similar scale and nature and, for developers proposing rental housing, the property management history of the developer and management's agent.
- e) The timeliness with which units shall be developed. Special consideration will be given to proposals ready to begin construction by spring of 1989.
- f) The number of years exceeding the 15 year minimum in which the project shall maintain affordable rental units or affordable units for sale and the strength of the mechanisms to enforce this long term affordability.
- g) The number of affordable units that shall be made available to low income households as defined in Section VII of this document.
- h) The extent, if any, to which the project provides housing for special needs households including, but not limited to: mentally ill and/or physically handicapped persons, battered women and their children, homeless individuals.
- i) The extent to which the project shall provide employment for local, female, and minority labor.

- j) The extent to which the project shall provide financial or managerial participation by minority business enterprises or women business enterprises.
- k) Any ongoing or reversionary financial or ownership participation in the development offered to the Trust which may enhance the resources available to the Trust.
- l) The extent to which the neighborhood in which the Project is located has not previously received linkage funds or any other Trust distributions.

#### VI. PROPOSAL SUBMISSION FORMAT

Proposals must be submitted no later than November 15, 1989 to the Neighborhood Housing Trust, c/o Larry Dwyer, Chairman, 52 Chauncy Street, Boston, MA, 02111.

1. Letter of Interest (which must be submitted 10 days in advance of the completed application).
2. A certified check for \$15.00 drawn to the order of, or assigned to, the Neighborhood Housing Trust. The fee will be retained by the Trust for the processing of the submission.
3. Project summary. Please use Form 1. You should include a project schedule extending from designation to occupancy. (Sample attached)
4. Development team information. Please use Form 2. Also include a resume for each member of the development team.
5. A Project Proforma. Please use Form 3. Construction costs should be itemized on a separate sheet.
6. Financing sources. Please use Form 4. A bank letter of interest for construction and permanent financing should be included.
7. Disclosure statements. Please use Form 5.
8. Affirmative Marketing Plan. Please use Form 6.
9. Non-discrimination statement. Please use Form 7.
10. Arson Commission report. Please fill out Part 1 of Form 8.

11. Fair Housing Commission report. Please fill out Part 1 of Form 9.
12. Rent Equity Board report. Please fill out Part 1 of Form 10.
13. Tax Title Division report. Please fill out Part 1 of Form 11.
14. Project Location Map. Using the map provided, indicate the approximate location of the proposed housing project.
15. Applicants are encouraged to provide any additional information about their projects that will enhance the Board of Trustees' understanding of the proposed project.

## VII. AFFORDABILITY PROVISIONS

The main objective of the Neighborhood Housing Trust is to increase affordable housing opportunities for low and moderate income households.

### A. DEFINITIONS

"Affordable Housing" shall mean housing, (i) the cost for which shall not exceed a certain percentage of the income for Low and Moderate Income Households in the Boston area, such costs and such percentage to be set from time to time by the United States Department of Housing and Urban Development ("HUD"), or (ii) as otherwise defined by the Boston Zoning Commission through its adoption of the definition of any state or federal agency, authority, department or similar instrumentality providing financial assistance to reduce the occupancy cost of housing to low and moderate income residents. Affordable Housing shall include specifically and without limitation rooming houses, congregate housing, transitional housing, halfway housing, public housing, emergency shelters, rental apartments, cooperatives, condominiums, and single or multi-family dwellings, as determined appropriate, desirable, and feasible by the Neighborhood Housing Trust.

"Low Income Households" -- households where the total income of the members thereof at initial occupancy does not exceed fifty percent (50%) of the median income for the Boston Standard Metropolitan Statistical Area as set forth in or calculated based upon regulations promulgated from time to time by the United States Department of Housing and Urban Development pursuant to Section 8 of the Housing Act of 1937, as amended by the Housing and Community Development Act of 1974.

"Moderate Income Households" -- households where the total income of the members thereof at initial occupancy does not exceed eighty percent (80%) of the median income for the Boston Standard Metropolitan Statistical Area as set forth in or calculated based upon regulations promulgated from time to time by the United States Department of Housing and Urban Development pursuant to Section 8 of the Housing Act of 1937, as amended by the Housing and Community Development Act of 1974.

#### B. AFFORDABILITY ANALYSIS

For rental projects, the Neighborhood Housing Trust requires that monthly rents plus utilities paid by the tenants in affordable units not exceed 30% of household income and that the income of low and moderate income tenants and co-op owners occupying those units not exceed the low moderate income limits for their respective household size. For ownership units, monthly carrying costs including principal, interest, taxes, insurance, and condominium fees should not exceed 28% of the occupant household's income. For a family of four, the low-income limit is currently \$22,150; moderate income is \$32,400. You should provide details on the number of affordable units and the sales prices or carrying costs for each affordable unit in Form 1 of this RFP.

Additional information on income limits and affordability levels for various state and federal housing programs is provided below.

#### C. LONG TERM AFFORDABILITY

The NHT requires assurance of long-term affordability of low and moderate income units for at least 15 years. Acceptable mechanisms for achieving this include but are not limited to: recapture agreements, anti-speculation clauses, or ownership forms such as limited equity cooperatives or mutual housing associations. Please attach a detailed description of the provisions that will be made to insure the long-term affordability of the low and moderate income units in this development.

Replaces Page 10

RENT AND ELIGIBILITY LIMITS  
Section 8 and Chapter 707 Programs

Tenant Eligibility Income Limit (by family size)\*

Section 8 Low Income (80% of median)

<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>
22,700	25,900	29,150	32,400	34,450	36,450	38,500	40,500

Section 8 Very Low Income

15,500	17,700	19,950	22,150	23,900	25,700	27,450	29,250
--------	--------	--------	--------	--------	--------	--------	--------

Chapter 707

18,144	20,736	23,328	25,920	27,540	29,160	30,780	32,400
--------	--------	--------	--------	--------	--------	--------	--------

\*707 effective 4/88, Sec 8 effective 1/88

Maximum Allowable Rents (by bedroom size)\*

	<u>SRO**</u>	<u>0BR</u>	<u>1BR</u>	<u>2BR</u>	<u>3BR</u>	<u>4BR</u>	<u>5BR</u>
Section 8 Certific	420-560	560	681	803	1002	1123	1291
Section 8 (110%)	462-616	616	749	883	1102	1235	1420
Chapter 707 Certif.	435	560	681	803	1002	1123	1291
Chapter 707 Mod Rehab	522	672	817	964	1202	1348	1549

\* Effective 10/1/88

\*\*HUD allows a range depending on extent of efficiency-like facilities

## APPENDIX: RELATED CITY POLICIES

### A. Minority Business Enterprises/Women Business Enterprises

Certain projects will require that minority owned businesses and women owned businesses be awarded a percentage of contract and construction dollars.

### B. Boston Resident Jobs Policy

It is the policy of the City to encourage the employment of Boston residents, minorities, and women for construction and permanent jobs generated by new development. The Boston Resident Jobs Ordinance required that jobs go to at least 50% Boston residents, 25% to minorities, and 10% females as calculated in work hours. Failure to comply or provide documentation on good faith efforts may result in the imposition of sanctions and penalties.

Project proposal evaluation will include the developers' past record in meeting the requirements of the ordinance, proposed hiring plans, and current workforce. Developers should be prepared to submit documentation on these subjects.

### C. Affirmative Marketing

Developers are reminded that it is illegal to discriminate against any person because of race, color, religious creed, marital status, age, sex, ancestry, sexual preference, military status, handicap, national origin, source of income, or presence of children (except in the case of elderly project). This includes the sale or rental of housing or residential lots, the advertising of the sale or rental of housing, the financing of housing or the provision of real estate brokerage services. Blockbusting is also illegal.

The Neighborhood Housing Trust will not award funds to any proposal that will violate these laws. In addition, there may be the legal requirement for the developer to prepare an affirmative marketing plan outlining how the developer will further equal housing opportunities. The NHT or its designee may assist developers to comply with these laws and in the preparation of affirmative marketing plans. In addition, it encourages development not requiring affirmative marketing plan include a plan as part of its proposal.

D. Tenant Relocation

In the event the redevelopment of the parcel necessitates the relocation of existing commercial or residential tenants, the developer will be responsible for assisting the tenants to relocate. In general, NHT encourages redevelopment plans to accommodate existing tenants but recognizes that this will not always be possible. At its own discretion, NHT may become involved in the relocation process.

E. Public Programs

The Public Facilities Department administers certain programs to encourage rental or owner occupied housing and commercial development. The programs either require that benefits go to low- and moderate-income people or place a priority for funding to those projects that have low and moderate income benefits.

In addition, PFD can assist developers seeking state or Federal program assistance. All these programs have varied requirements and differ in their level and type of assistance.

PFD encourages the use of public and private programs to increase housing opportunities for low and moderate income people. The level of assistance PFD will provide is decided on a case by case basis. Developers are encouraged to request individual program information from PFD.

The Neighborhood Housing Trust encourages applicants to contact PFD for information regarding additional assistance which may be available through their programs.



FORM 1  
PROJECT SUMMARY

**A. PROJECT SUMMARY**

1. **APPLICANT/DEVELOPER:** \_\_\_\_\_

2. **PROJECT NAME:** \_\_\_\_\_

3. **PROJECT ADDRESS:** \_\_\_\_\_

---

---

**4. PROJECT TYPE (Check all categories that apply)**

New Construction \_\_\_\_\_ Rental \_\_\_\_\_ Condo \_\_\_\_\_ Coop \_\_\_\_\_

Rehabilitation \_\_\_\_\_ Rental \_\_\_\_\_ Condo \_\_\_\_\_ Coop \_\_\_\_\_

**5. HOUSING SUMMARY**

No. Units \_\_\_\_\_

No. Low/Mod Units \_\_\_\_\_ %Low/Mod \_\_\_\_\_

No. Mod-Income Units (80% of median): \_\_\_\_\_

No. Low-Income Units (50% of median) \_\_\_\_\_

Other Below Market Units (specify) \_\_\_\_\_

6. **Linkage Request \$** \_\_\_\_\_

Linkage Request per low/mod unit \$ \_\_\_\_\_

Linkage Request as percent of Total Development Cost \_\_\_\_\_%

Leverage Ratio \$ \_\_\_\_\_

**7. PROJECT TIMELINE**

Permits:

Construction Start:

**8. PARKING SPACES**

Total \_\_\_\_\_ Per Unit \_\_\_\_\_

**B. PROJECT DESCRIPTION (BRIEF NARRATIVE)**

**C. PROJECT FINANCING SUMMARY**

**1. Development Budget**

Real Estate Acquisition	\$ _____
Construction Costs	\$ _____
Related Soft Costs	\$ _____
Contingency	\$ _____
Machinery & Equipment	\$ _____
TOTAL	\$ _____

Total dev. costs per sq. ft.	\$ _____
Construction costs per sq. ft.	\$ _____
Total cost per unit	\$ _____

**2. Project Funding**

Source	Amount	Terms (%/Years)	Status	Collateral
a)				
b)				
c)				
d) Equity	\$			
e) Linkage	\$			
Total:	\$			

3. Housing Prices/Carrying Costs

Size	No. Units	Sales Price	Carrying Cost/Mo*
Studio/SRO			
1 BR			
2 BR			
3 BR			
4 BR			
2 Family			
TOTAL			

4. Project Income and Expenses

Total Annual Gross Income (TGI)	\$ _____
Less Vacancy ( %)	\$ _____
Other Income	\$ _____
Effective Gross Income	\$ _____
Total Operating Expenses ( % of TGI)	\$ _____
Reserves	\$ _____
Net Operating Income	\$ _____
Debt Service	\$ _____
Coverage Ratio	_____

D. BRIEF NARRATIVE ANALYSIS OF REVIEW CRITERIA (For Trust Use Only)

E. PROPOSED LINKAGE FUNDING (For Trust Use Only)

Recommendation

\_\_\_ Recommend Funding      Amount \$ \_\_\_\_\_

\_\_\_ Denial

# Sample

## PROJECT SUMMARY

### I. Applicant Eligibility

Dacia Group Housing Limited Partnership meets the four specific standards in Section III of the Neighborhood Housing Trust Requests for Proposals.

### II. Project Eligibility

The numbering of the points below corresponds to the numbering in Section IV of the Neighborhood Housing Trust Request for Proposals.

#### 1. Need for Trust Funds

The 100% affordable units to be created could not be developed without Linkage funds. Without Linkage funds, the financing gap would prevent this project from going forward.

#### 2. Trust Funds to be Used Solely for Affordable Housing

Linkage funds provided will be used exclusively to assist the affordable units.

#### 3. Trust Funds to be Used Solely for Housing

Linkage funds that are provided will be used exclusively for housing.

#### 4. Long-Term Affordability

All housing units will be deed-restricted for 30 years with an option to renew restrictions for another 20 years.

#### 5. Financial Feasibility

Project is financially feasible with gap financing from Linkage and from CDAG.

#### 6. Site Control

Dacia Group Housing Limited Partnership has a tentative designation vote from the Public Facilities Commission.

7. Compliance with Boston Jobs Ordinance

The development team includes a local minority contractor who will complete this project. The developer will ensure that the construction will be carried out in conjunction with the Boston Jobs Ordinance, and will include this requirement in all construction contracts for the project.

8. Compliance with Sanitary and Building Codes

The housing created in the Dacia Block area will be in full compliance with all requirements of the State Sanitary Code and the State Building Code.

9. Fair Housing

Marketing and buyer selection for the housing units created in the Dacia Residence will be done in accordance with the requirements of the Boston Fair Housing Commission and with other applicable fair housing requirements. The Affirmative Marketing and Buyer Selection Plan for the project will be submitted to the Fair Housing Commission for review and approval prior to the start of marketing.

III. Evaluation Criteria

1. Total Number of Affordable Units. The development of the Dacia Residence will create 29 affordable units, five of which will be sold to the BHA and 2 of which will be totally furnished for handicapped occupancy. The development is 100% affordable in an area where per capita income is one of the lowest in the City and where the Roxbury Neighborhood Council has proposed a minimum goal of 75% affordability for developments on City property. Prices range from \$52,000 to \$90,000. This will enable a range of income groups to purchase affordable housing.

A 100% affordable development serving the needs of a range of income groups is necessary and appropriate given community guidelines, unusually low market prices, and secondary market restrictions.

2. Percentage of Affordable Units

The project will have 100% affordability with 5 Chapter 705 public housing units, 4 units for homeownership priced at \$52,000, 3 units at \$68,000, 8 units at \$85,000 and 9 units at \$90,000.

3. Amount of Trust Funds per Affordable Unit

The Dacia Group is requesting a total of 661,054 of Trust funds, or \$22,795 per affordable unit.

4. Developer Capacity

Principals of this team are responsible for over 368 completed residential units and 90,000 square feet of commercial space in the Metropolitan Boston Area, New York and St. Louis.
5. Timeliness

Project has applied for a building permit on June 10, 1988. A HOP application has been submitted to EOCD. A construction start of late October or early November is expected.
6. Duration and Strength of Mechanisms to Preserve Affordability

The current mechanisms being used in homeownership projects by both the BRA and the Public Facilities Department take the form of deed restrictions that are put in place at the time of sale and run with the deed to the property. These deed restrictions limit the future resale price of the property and give a designated public agency the right of first refusal in the case of a sale. This allows ownership to be transferred at an affordable price to a new buyer meeting similar eligibility guidelines to those used for the original buyers.

The duration of these restrictions is currently set at thirty years with the City having the option to extend them for an additional twenty years.
7. Number of Units for Low-Income Households

All twenty-nine units will be affordable for low- and moderate-income buyers.
8. Extent of Housing for Special Needs Households

Two of the units will be accessible for handicapped persons.
9. Extent of Employment for Local, Minority and Female Labor

The project will provide employment for residents of the City of Boston minorities and women, as required by the Boston Jobs Ordinance. The construction company and half of the development team are minority enterprises.
10. Extent of Participation by Minority or Women Business Enterprises

The developers of the Dacia Group Housing Limited Partnership are a joint partnership between Frontier Enterprises and the minority-owned Future Development Group.
11. Participation Offered to the Trust

It is not possible, within the financial structure of this project, to offer the Trust any financial participation in the project that would enhance the resources available to the Trust.

12. Extent of Linkage Funding in the Neighborhood

Linkage funds have been awarded to the Phillip Brooks School, which is a few block from this site.

PROPOSED DEVELOPMENT SCHEDULE

	May	June	July	Aug	Sept	Oct	Nov	Dec	Oct '89
Final Design Approval	5-88								
Bldg Permit Application		6-88							
HOP Appl. Submitted			7-88						
Zoning Board of Approval				8-88					
CDAG Submission				8-88					
Appl. for Costruction Financing				8-88					
Receive Bldg. Permit					9-88				
MHFA Board Vote						10-88			
Construction Loan Closing						10-88			
Final Designation/Deed						10-88			
Construction Start							11-88		
Cottery of Affordable Units							11-88		
Construction Complete									10-89



FORM 2

1. DEVELOPMENT TEAM INFORMATION

Developer Name and Address

Telephone

---

---

---

On a separate page, please describe fully the nature of the development entity, including: a) the legal structure, b) list the general partners c) the legal history of the organization. Please attach a copy of any joint venture agreement, articles of incorporation or trust agreement establishing the development entity.

Architect/Engineer (s)

---

Attorney

---

Accountant

---

Project Manager

---

Construction Manager

---

Marketing Agent (if applicable)

---

For each of the members of the development team, including each general partner, please attach a resume.

2. DEVELOPER'S STATEMENT OF QUALIFICATIONS  
AND FINANCIAL RESPONSIBILITY

1. Name and address of developer:
2. Is the developer or any other member of the joint venture a subsidiary of or affiliated with any other corporation or corporations or any other firm or firms?

YES: \_\_\_\_\_

NO: \_\_\_\_\_

If yes, explain

3. a. The financial condition of the developer, as of \_\_\_\_\_ is as reflected in the attached financial statement.

NOTE: Attach to this statement a financial statement FOR EACH GENERAL PARTNER showing the assets and the liabilities, including contingent liabilities, fully itemized in accordance with accepted accounting standards and based on a proper audit. If the date of the financial statement precedes the date of this submission by more than six months, also attach an interim balance sheet not more than 60 days old. These statements will be held in strict confidence.

- b. Name and address of auditor or public accountant who performed audit on which said financial statement is based.

4. If funds for the development of the project are to be from sources other than the developer's own funds, please state the developer's plan for financing the acquisition and development of the project:

5. Sources and amount of cash available to developer to meet up-front costs of the proposed undertaking:

- a. In banks:

Name, address & zip code of bank

Amount

\$

b. By loans from affiliated or associated corporations of firms:  
Name, address & zip code of source Amount  
\$

c. By sale of readily salable asset  
Description Market Value Mortgage or liens  
\$ \$

6. Name and addresses of bank references:

7. Has the developer or (if any) the corporation, or any subsidiary or affiliated corporation of the developer or said parent corporation, or any of the developer's officers or principal members, shareholders or investors, or other interested parties been adjudged bankrupt, either voluntary or involuntary, within the past ten years?  
YES: \_\_\_\_\_ NO: \_\_\_\_\_  
If yes, give the date, place and under what name.

8. a. Undertakings, comparable to the proposed development work, which have been completed by the developer, including identification and brief description of each project and date of completion:

b. If the developer or any of the principals of the developer has ever been an employee in a supervisory capacity for a construction contractor or builder or undertaking comparable to the proposed development work, name of such employee, name and address of employer, title of position, and brief description of work:

9. If the developer or a parent corporation, a subsidiary, an affiliate, or a principal of the developer is to participate in the development of the land as a construction contractor or builder:

a. Name and address of such contractor or builder:

b. Has such contractor or builder within the last ten years ever failed to qualify as a responsible bidder, refused to enter into a contract after an award has been made, or failed to complete a construction or development contract?

YES \_\_\_\_\_ NO \_\_\_\_\_

If yes, explain:

c. Total amount of construction or development work performed by such contractor or builder during the last three years:

\$ \_\_\_\_\_

General description of such work:

d. Construction contracts or developments now being performed by such contractor or builder:

Identification of  
Contract or Development  
and Location

Amount  
\$

Date to be  
Completed

e. Outstanding construction contract bids of such contractor or bidder:

Awarding Agency

Amount

Date Opened

10. Brief statement respecting equipment, experience, financial capability, and other resources available to such contractor or builder for the performance of the work involved in the development of the land, specifying particularly the qualifications of the personnel, the nature of the equipment, and the general experience of the contractor:
  
  
  
  
  
  
  
  
  
  
11. Statement and other evidence of the developer's qualifications and financial responsibility (other than the financial statement referred to in Item 3) are attached hereto and hereby made a part hereof as follows:
  
  
  
  
  
  
  
  
  
  
12. If the developer, any employee of the developer or any party holding a financial interest in the development is now a City of Boston employee or has been at any time in the year preceding this date, please list the person(s)'s name, position held, or financial interest in the development entity, City of Boston position, and if not currently employed by the City, the last date of City employment.
  
  
  
  
  
  
  
  
  
  
13. List the address(es) of all other properties that the owner(s) or principals of the proposed project own(s) in the City of Boston:

CERTIFICATION

I/We, \_\_\_\_\_, certify that this Developer's Statement of Qualifications and Financial Responsibility and the attached evidence of the developer's qualifications and financial responsibility, including financial statements, are true and correct to the best of my/our knowledge and belief.

Dated \_\_\_\_\_

Dated \_\_\_\_\_

Signature \_\_\_\_\_

Signature \_\_\_\_\_

Address & Zip Code \_\_\_\_\_

Address & Zip Code \_\_\_\_\_

FORM 3

1. HOUSING DEVELOPMENT BUDGET

Developer Name: \_\_\_\_\_

	<u>Housing</u>	<u>%</u>
<u>Acquisition Cost</u>	_____	_____
<u>Construction Cost</u>		
New (\$ /GSF)	_____	_____
Rehab (\$ /GSF)	_____	_____
Site Preparation & Demolition	_____	_____
Parking (\$ /space)	_____	_____
Site Improvements	_____	_____
TOTAL	_____	_____
<u>Related Costs</u>		
Architect/Engineering ( % of Construct. Cost)	_____	_____
Building Permits	_____	_____
Insurance during Construct.	_____	_____
Property Tax during Construct.	_____	_____
Construction Loan Interest ( mos. @ % on \$ )	_____	_____
Legal Fees	_____	_____
Marketing/Brokerage	_____	_____
Developer Fees	_____	_____
Other Professional Fees (specify)	_____	_____
Title Insurance	_____	_____
Mortgage Recording Fees	_____	_____
Other Related Costs (Specify)	_____	_____
TOTAL	_____	_____
Contingency ( % of \$ )	_____	_____
<b>TOTAL DEVELOPMENT COST</b>	_____	_____
Gross Sales Proceeds (if applicable)	\$ _____	
Less Marketing Fees ( % of Gross Sales Proceeds)	\$ _____	
Less Development Costs	\$ _____	
Net Profit (Before Taxes)	\$ _____	

2. HOUSING OPERATING BUDGET

Developer Name: \_\_\_\_\_

<u>YEAR</u>	1	2	3	4	5
-------------	---	---	---	---	---

RESIDENTIAL INCOME

<u>Unit Type</u>	<u>Rent/Year</u>				
------------------	------------------	--	--	--	--

_____
_____
_____
_____

GROSS POTENTIAL INCOME

\_\_\_\_\_

VACANCY

Residential ( % )

\_\_\_\_\_

EFFECTIVE GROSS INCOME

\_\_\_\_\_

OPERATING EXPENSES

- Insurance
- Heat
- Electric
- Water & Sewer
- Garbage Removal
- Repairs
- Maintenance
- Replacement Reserve
- Operating Reserve
- Management
- Other (Specify)

_____
_____
_____
_____
_____
_____
_____
_____
_____
_____
_____

TOTAL OPERATING EXPENSES

\_\_\_\_\_

REAL ESTATE TAXES

( \_\_\_\_\_ )

NET OPERATING INCOME

( \_\_\_\_\_ )

DEBT SERVICE ( % on \$ \_\_\_\_\_ for \_\_\_\_\_ yrs.)

( \_\_\_\_\_ )

CASH FLOW

\_\_\_\_\_



FINANCING SOURCES

Construction

Project Cost: \$ \_\_\_\_\_

Developer Equity: \$ \_\_\_\_\_

Type of Equity: \_\_\_\_\_

Syndication Proceeds: \$ \_\_\_\_\_ % Syndicated \_\_\_\_\_

Loan Sources:

Source	Loan Type	Amount (\$)	Rate (%)	Loan Term
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Permanent

Project Cost: \$ \_\_\_\_\_

Developer Equity: \$ \_\_\_\_\_

Type of Equity: \_\_\_\_\_

Syndication Proceeds: \$ \_\_\_\_\_ %  
Syndicated \_\_\_\_\_

Loan Sources:

Source	Loan Type	Amount (\$)	Rate (%)	Loan Term
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

DISCLOSURE STATEMENT

Any person submitting a development proposal to the City of Boston must truthfully complete this Statement and submit it prior to being formally designated for any project.

1. Do any of the principals owe the City of Boston any monies for incurred real estate taxes, rents, water and sewer charges or other indebtedness?

---

---

2. Are any of the principals employed by the City of Boston? If so, in what capacity? (Please include name of agency or department and position held in that agency or department.)

---

3. Have any of the principals previously owned any real estate? If so, when, where, and what type of property?

---

4. Were any of the principals ever the owners of any property upon which the City of Boston foreclosed for his/her failure to pay real estate taxes or other indebtedness?

---

5. Have any of the principals ever been convicted of any arson-related crimes, or currently under indictment for any such crimes?

---

6. Have any of the principals been convicted of violating any law, code, statute or ordinance regarding conditions of human habitation within the last three (3) years?

---

SIGNED UNDER THE PAINS AND PENALTIES OF PERJURY THIS  
\_\_\_\_\_ Day of \_\_\_\_\_, 19 \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

AFFIRMATIVE MARKETING PLAN

1. Developer/Owner Name, Address \_\_\_\_\_  
\_\_\_\_\_ Tel. No. \_\_\_\_\_

2. Name and Address of Housing \_\_\_\_\_  
\_\_\_\_\_

3. No. of Units \_\_\_\_\_ Vacant \_\_\_\_\_ Occupied \_\_\_\_\_

4. Indicate which racial or ethnic groups are least likely to apply for the housing without special outreach.

\_\_\_\_\_

5. Indicate the media to be used to advertise the availability of the housing to the groups noted in #4.

Name of Newspaper, Radio or Television Station	Racial/Ethnic Identification of Market
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

6. If brochures, leaflets, or other handouts are to be used, describe method of distribution.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

7. List Community contacts and describe method of contact.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

8. If owners/renters are to be selected from a waiting list or pool of applicants, please describe the method that will be used to develop the applicant pool, the criteria that will be used for pre-qualifying the applicants, and the standards that will be used for final selection of buyer(s) or tenant(s). Attach separate page if necessary.

9. Please describe other efforts planned as part of your outreach program not adequately covered by this form.

NON-DISCRIMINATION STATEMENT

As a condition of receiving NHT-controlled funds, land, or other benefits, I, \_\_\_\_\_, agree not to discriminate or permit discrimination on the basis of race, color, religious creed, marital status, sex, age, ancestry, sexual preference, military status, handicap, national origin, source of income, or presence of children (except in the case of an elderly project) in the lease, or use and occupancy of the property located at

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_.

Furthermore, I agree to comply with the attached Affirmative Marketing Plan and to maintain a record of all newspaper ads, outreach letters, translations, and leaflets and any other outreach efforts as described in the attached plan. These will be available for review by the Neighborhood Housing Trust or its designee upon request.

I understand that I shall be able to proceed with completion of my project if I have taken every step outlined in the City-approved Affirmative Marketing Plan. Compliance shall be determined by the Neighborhood Housing Trust or its designee. If I have not adequately complied with the City-approved plan, I shall be required to conduct additional outreach or marketing efforts as determined by the Neighborhood Housing Trust or its designee.

\_\_\_\_\_  
Owner

\_\_\_\_\_  
Date

NEIGHBORHOOD HOUSING TRUST  
ARSON COMMISSION INFORMATION REQUEST

PART I, PROPERTY INFORMATION

Property Address:

\_\_\_\_\_

Section of City:

\_\_\_\_\_

Ward/Parcel Numbers:

\_\_\_\_\_

Property Owner Name:

\_\_\_\_\_

PART II, ARSON COMMISSION INFORMATION

Has the subject property owner ever been convicted of an arson related  
crime \_\_\_\_\_

Is the subject property owner currently under investigation by the Arson  
Squad? \_\_\_\_\_

Comments \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

FORM 9

NEIGHBORHOOD HOUSING TRUST  
FAIR HOUSING COMMISSION INFORMATION REQUEST

PART I, PROPERTY INFORMATION

Property Address: \_\_\_\_\_  
Section of City: \_\_\_\_\_  
Ward/Parcel Numbers: \_\_\_\_\_  
Project name: \_\_\_\_\_  
Property Owners name: \_\_\_\_\_  
Developers Name: \_\_\_\_\_

PART II, FAIR HOUSING COMMISSION INFORMATION

Has the subject property owner been found to be in violation of Fair housing laws? \_\_\_\_\_  
Is the subject property owner currently in mediation with MCAD or Fair Housing Commission? \_\_\_\_\_  
Was the person cooperative with the Commission? Yes \_\_\_\_\_  
No \_\_\_\_\_

Comments \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

NEIGHBORHOOD HOUSING TRUST  
RENT EQUITY BOARD STATUS REQUEST

PART I, PROPERTY INFORMATION

Property Address: \_\_\_\_\_  
Section of City: \_\_\_\_\_  
Ward/Parcel Numbers: \_\_\_\_\_  
Landlord/Owner Name: \_\_\_\_\_  
Landlord/Owner Address \_\_\_\_\_  
\_\_\_\_\_ (Section of City & Zip)

PART II, RENT EQUITY BOARD INFORMATION

Property Registered: Yes \_\_\_\_\_ (see rent roll Page 2)  
No \_\_\_\_\_

If Registered:

1. Property Exempt? Yes \_\_\_\_\_ No \_\_\_\_\_
- A. Reason for Exemption Ruling: \_\_\_\_\_
  - B. Date of Exemption Ruling: \_\_\_\_\_
2. Number of Units registered: (If not exempt) \_\_\_\_\_
- A. Number of Units Rent Controlled: \_\_\_\_\_
  - B. Number of Units vacancy decontrolled: \_\_\_\_\_

(See over for page 2)



Property Address: \_\_\_\_\_

Ward/Parcel Number: \_\_\_\_\_

UNIT #	CONTROLLED (X Indicates Yes)	DECONTROLLED (X Indicates Yes)
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
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_____	_____	_____
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_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Outstanding violations

Does owner of this property have any outstanding complaints before the Rent Equity Board or the Boston Housing Court? Yes \_\_\_\_\_ No \_\_\_\_\_

If Yes, please specify \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

NEIGHBORHOOD HOUSING TRUST  
TAX TITLE DIVISION INFORMATION REQUEST

PART I, AFFIDAVIT: APPLICANT'S DISCLOSURE OF PROPERTY OWNED

List all property that each applicant presently owns or has owned in the City of Boston:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

List all property that is now owned in the City of Boston by any corporation, trust, partnership or joint venture that you are now associated with:

Entity

Property Address

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
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\_\_\_\_\_

List all property that was owned in the City of Boston by any corporation, trust, partnership or joint venture that you were associated with, during the period of your association with that entity:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
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\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The above information is true and complete to the best of my knowledge.

\_\_\_\_\_  
Applicant Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Typed in name

\_\_\_\_\_  
Co-Applicant Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Typed in name

PART II, TAX TITLE DIVISION REPORT

Attached please find the applicant's disclosure of Property Owned Affidavit. Please review the information and inform me if there is any reason why this applicant should not be considered for funding by the Neighborhood Housing Trust due to present or past tax problems.

-----

I have received the attached information and

\_\_\_\_\_ I have cleared this applicant for participation in the Neighborhood Housing Trust's funding program.

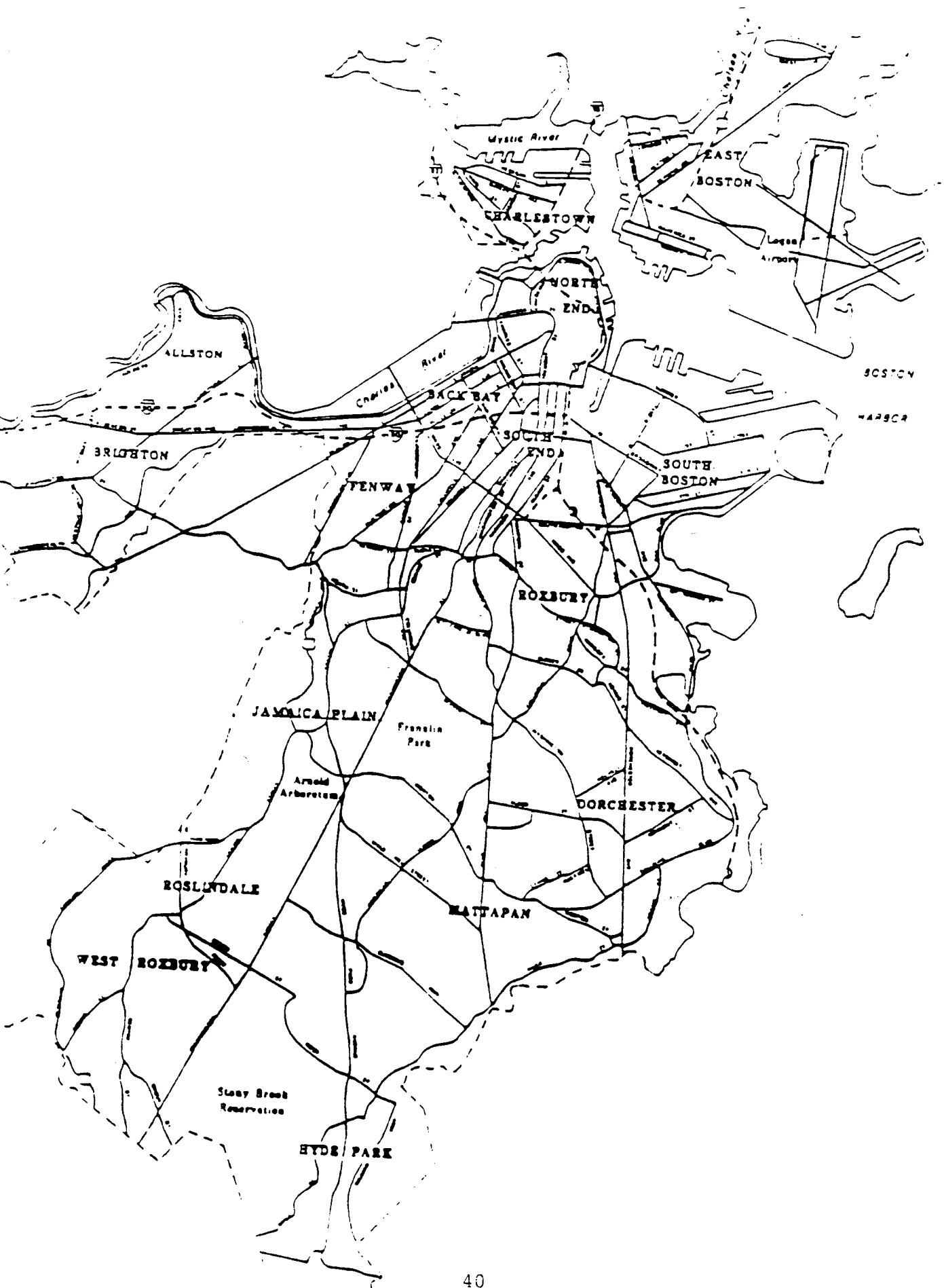
\_\_\_\_\_ I find that this applicant is not eligible for participation in the Neighborhood Housing Trust's funding program for the following reason(s):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date



HOUSING PAYMENT AGREEMENT

BETWEEN

BOSTON REDEVELOPMENT AUTHORITY/PUBLIC FACILITIES DEPARTMENT

AND

\_\_\_\_\_

AND

NEIGHBORHOOD HOUSING TRUST

This agreement is entered into as of this \_\_\_\_\_ day of \_\_\_\_\_, 198\_\_\_\_ by and between the Neighborhood Housing Trust, ("The Trust") a Massachusetts public charitable trust established by the City of Boston pursuant to an ordinance signed by the Mayor on June 6, 1986 and further authorized by a Home Rule petition signed by the Governor of the Commonwealth on October 5, 1987 as Chapter 371 of the Acts of 1987, having a mailing address at \_\_\_\_\_, Boston, Massachusetts, and \_\_\_\_\_, and its successors, assigns and legal representatives ("Developer"), and the Boston Redevelopment Authority/Public Facilities Department, having a mailing address at \_\_\_\_\_, Boston, Massachusetts ("Administering Agency").

WHEREAS, on June 6, 1986 the Mayor of the City of Boston approved an ordinance passed by the Boston City Council establishing a Neighborhood Housing Trust to promote the public health, convenience and welfare by mitigating the extent to which Boston's low and moderate income households are unable to afford decent, safe and sanitary housing within the City of Boston; and

WHEREAS, Articles 26 and 26A of the Boston Zoning Code create a revenue source for the Trust to carry out these purposes; and

WHEREAS, the Neighborhood Housing Trust promulgated Rules and Regulations for Operations of the Neighborhood Housing Trust of the City of Boston on June 13, 1987; and

WHEREAS, The Trust issued a request for Proposals pursuant to Section V(c)(1) of the Regulations in \_\_\_\_\_; and

WHEREAS, the Developer submitted an application for a linkage award on \_\_\_\_\_; and

WHEREAS, the Trust held a public hearing for all projects submitted on \_\_\_\_\_; and

WHEREAS, the Trust voted to award to the Developer a loan/grant of \$ \_\_\_\_\_ at the Trust meeting held on \_\_\_\_\_; and

WHEREAS, by means of a Memorandum of Agreement among the Neighborhood Housing Trust, a City of Boston Public Facilities Commission and the Boston Redevelopment Authority dated \_\_\_\_\_, the Trust has designated either the Authority or PFC to oversee and carry out all aspects of the Projects, subject at all times to the supervision and control of the Trust, and except those responsibilities specially reserved to the Collector-Treasurer acting as managing Trustee of the Trust;

NOW, THEREFORE, the Parties does hereto mutually agree as follows:

Section 1. Definitions

For all purposes of the Agreement, the following terms, when capitalized, shall have the meanings indicated below.

- a) "Administering Agency" shall mean the public agency, commission or department designated by the Trust to administer this Agreement.
- b) "Agreement" shall mean this Housing Payment Agreement.
- c) "Affordable Units" shall mean those units whether rental, condominium or cooperative, or single or multi-family owner-occupied, exclusively marketed to and occupied by Low-income, or Moderate-income Households, as defined below at Sections 1(k) and (1).
- d) "Authority" or "PFC" shall mean the Boston Redevelopment Authority/Public Facilities Commission, a body \_\_\_\_\_, organized under \_\_\_\_\_, with offices at \_\_\_\_\_, Boston, Massachusetts, 02201, and its successors, assigns, and legal representatives.
- e) "Boston Jobs Ordinances" shall mean the City Ordinance of October 14, 1983 Establishing the Boston Resident Jobs Policy and the Mayor's Executive Order of July 12, 1985 entitled "Executive Order Extending the Boston Residents Jobs Policy", as extended to include this project.
- f) "City" shall mean the City of Boston, Massachusetts.
- g) "Collector-Treasurer" shall mean the Collector-Treasurer for the City of Boston, Massachusetts, the managing Trustee of the Trust.
- h) "Developer" shall mean the \_\_\_\_\_, having a mailing address at \_\_\_\_\_, Massachusetts, and its successors, assigns and legal representatives.
- i) "Development Plan" shall mean the Developers proposal as approved by the Trust on \_\_\_\_\_; such plan shall include but not be limited to all descriptions, maps, blueprints and documents submitted to and accepted by the Trust, together

with any amendments which may be submitted to and accepted by the Trust, and which is incorporated by reference hereto and made a part of this Agreement.

j) "Household" shall mean all persons who reside or intend to reside together in an affordable unit as a principal residence.

k) "Low Income Household" shall mean a household where the total income of the members thereof at the initial occupancy does not exceed fifty percent (50%) of the median income for the Boston Primary Metropolitan Statistical Area as set forth in or calculated based upon regulations promulgated from time to time by the United States Department of Housing and Urban Development pursuant to Section 8 of the Housing Act of 1937, as amended by the Housing and Community Development Act of 1974. If the Department of Housing and Urban Development discontinues publication of median income statistics, then the Trust shall designate an alternate measure of Household income.

l) "Moderate Income Household" shall mean a household where the total income of the members thereof at the initial occupancy does not exceed eighty percent (80%) of the median income for the Boston Primary Metropolitan Statistical Area as set forth in or calculated based upon regulations promulgated from time to time by the United States Department of Housing and Urban Development pursuant to Section 8 of the Housing Act of 1937, as amended by the Housing and Community Development Act of 1974. If the Department of Housing and Urban Development discontinues publication of median income statistics, then the Trust shall designate an alternate measure of Household income.

m) "Mortgage" shall mean the lien placed on the project property and recorded at the Suffolk County Registry of Deeds which secures the Note and this Agreement.

n) "Note" shall mean the Promissory Note executed between the Developer and Trust dated \_\_\_\_\_ in the amount of \$\_\_\_\_\_.

o) "Parties" shall mean the Trust, the Developer, and the Administrating Agency.

p) "Project" or "Development" shall mean, but not be limited to, the site acquisition, financing, rehabilitation/new construction/housing preservation, marketing, and sale of \_\_\_\_\_ by the Developer, a.k.a. \_\_\_\_\_ (sites(s) and address(es) attached as Exhibit A).

q) "Property" shall mean the real estate identified in Exhibit A.

r) "Regulations" shall mean the Rules and Regulations for Operations of the Neighborhood Housing Trust on June 18, 1987.

s) "Regulatory Agreement" shall mean that certain agreement regarding the Project between the Developer and the Administering Agency, including but not limited to: a land disposition agreement, other disposition terms if applicable, affordable housing covenants, the Development Plan for the project property, and the definition of the term Certificate of Completion, which agreement shall be incorporated by reference hereto and made a part of this Agreement, and which shall be duly recorded at the Suffolk Registry of Deeds.

t) "Trust" shall mean the Neighborhood Housing Trust, a Massachusetts public charitable trust created under the laws of the Commonwealth on November 19, 1985, administered by the Collector-Treasurer of the City as managing trustee, signed by the Mayor on September 4, 1987 and filed with the city clerk on September 18, 1987, and its successors, assigns and legal representatives.

u) "Trust Award" shall mean a loan/grant of \$ \_\_\_\_\_ voted to the Developer at the Trust meeting held \_\_\_\_\_.

## Section 2. Obligations of the Developer

a) Developer shall complete the Project within \_\_\_\_\_ ( ) years of the date of the execution of this Agreement. Completion shall occur when the Developer demonstrates that s/he has complied with all of the requirements contained in this Agreement, including but not limited to the provisions of Section 4(c) below. The Project shall proceed according to the Development Plan, and shall consist of but not be limited to site acquisition, financing, rehabilitation/new construction/housing preservation, marketing, and sale/rental of \_\_\_\_\_ dwelling units in \_\_\_\_\_ structure(s) on \_\_\_\_\_ site(s) located in \_\_\_\_\_ ( ) units in the Project shall be affordable to Low-Income Households, and \_\_\_\_\_ ( ) units in the Project shall be affordable to Moderate-Income Households.

b) The Developer shall submit to the Administering Agency: 1) the letter of award; 2) a certified copy of the vote of the Trust awarding the funds; 3) the Developer-executed Agreement; 4) certified votes of the City Council signed by the Mayor ordering acceptance and expenditure of the Trust funds; 3) evidence of zoning relief, any required insurance, building permits, and full financing commitments as defined by the Administering Agency; and 4) a Promissory Note and Mortgage duly executed in accordance with Section 4(c) of this Agreement. Upon receipt and verification of the foregoing, the Administering Agency will request that the Collector-Treasurer, as managing Trustee for the Trust, create an account and disburse the Trust Award to the Developer in accordance with the requirements of this Agreement (and Schedule(s) \_\_\_\_\_ which is/are hereby incorporated by reference herein and made part hereof as though fully set forth.



c) Developer shall use the Trust Award to pay for documented costs of the Project, which costs shall be incurred for the purpose of reducing the costs of said Affordable units and for no other purpose. Verification that Trust funds have been spent on Affordable Units shall be in both of the following two forms: 1) an affidavit submitted at the time of completion of construction by the Developer certifying the total costs of the Project development and the number of Low- and Moderate-Income households purchasing and occupying the affordable units (the percentage of Trust funds to total development costs must be equal to or less than the percentage of Low- Moderate-Income households occupying Affordable Units); and 2) an accounting statement prepared by a certified public accountant at construction completion demonstrating that the total development cost of the Affordable Units minus the non-award source funds equal at least the amount of the Award. The Administrating Agency shall have the discretion to require such other verification of costs as may be reasonable and necessary.

d) It shall be the responsibility of the Developer to submit an invoice to the Administering Agency for each Trust Award disbursement. All invoices shall be submitted on AIA forms or other such forms acceptable to the Administering Agency. No funds shall be paid on any invoices until all of the conditions of the Agreement governing disbursements have been met and until the Administering has verified the costs incurred in each necessary invoice: a) were actually incurred; and b) were reasonable and necessary expenses pursuant to the Development Plan. Certification of costs by the primary lender shall be sufficient for the Administering Agency to verify invoice costs. Upon such certification, the Administering Agency will request that the Collector-Treasurer produce a check for the appropriate invoice amount, and forward said check to the Developer.

e) The Developer shall execute all documents which the Administering Agency reasonably requires, including without limitation the Regulatory Agreement, the Note, the Mortgage, UCC financing statements, an Affirmative Marketing Plan as approved by the Boston Residents Construction Employment Plan and a Minority Business Enterprise and Women Business Enterprise procurement plan. All such documents shall be incorporated by reference herein, and made a part of this Agreement. The Developer shall cause the Mortgage, Regulatory Agreement and UCC Financing Statements to be duly recorded.

f) Developer shall keep and maintain books, records and other documents relating to the Project, including but not limited to documents directly relating to the receipt and disbursement of the Trust Award in accordance with this Agreement. Developer shall permit authorized representatives of the Administering Agency to have access to all such books and records for purposes of inspecting, examining, auditing, or copying such books or other documents.

g) Developer shall at all reasonable times provide access to authorized representatives of the Administering Agency to any for portion of the Development site.

h) Within 60 days of completing the Project for which Trust funds have been awarded, the Developer shall submit an affidavit of compliance to the Administering Agency indicating the Developer's current compliance with all terms of the Agreement. Completion of the project shall be deemed to have occurred when all of the units receive occupancy permits. Failure to submit an affidavit or demonstration of non-compliance shall constitute a breach of this Agreement which shall be subject to the provisions of Section 14 below.

i) The Developer shall meet the requirements of the Boston Jobs Ordinance.

j) If conveyance of the Project site(s), closing on all Project financing other than the Trust Award, construction start or \_\_\_\_\_ does not take place within \_\_\_\_\_ (\_\_\_\_) year(s) of the date of this Agreement, either the Administering Agency or the Trust shall have the right to terminate this Agreement pursuant to the provisions of Section 14 below.

### Section 3. Obligations of Trust

a) The Trust, in accordance with Section IV G(1) of the Regulations, shall notify the Developer of the Trust Award through a letter of award. The letter of award shall indicate the amount of funds to be obligated, and the terms and conditions which shall apply to the Award. No funds shall be released except in accordance with the provisions of Section 2 of this Agreement.

b) The Administering Agency shall require, verify and approve all invoice documentation pursuant to Section 2(d) above, prior to requesting release of invoice payments for the Project from the Collector-Treasurer.

c) The Administering Agency shall cause to be executed by the Developer a Note for the loan/grant Award, which Note shall name the Trust as Payee. The Administering Agency shall further require a Mortgage naming the Trust as mortgagee, which shall secure the Note and this Agreement. For the term of the Note the Award shall be treated as a (here describe terms) loan/grant, which shall be discharged at the completion of the Project in accordance with Section 2(a) above. Completion shall occur, and the Note and Mortgage shall be discharged, when the Developer produces to the Administering Agency the following: a Certificate of Completion from the Administering Agency in accordance with the Regulatory Agreement, an Affidavit from the Developer demonstrating that the Affordable Units have been sold in compliance with the Affirmative Marketing Plan, and the following two forms of project costs verification: 1) an affidavit submitted at the time of completion of construction by

the Developer certifying the total costs of the Project development and the number of Low- Moderate-Income households purchasing and occupying the affordable units (the percentage of Trust funds to total development costs must be equal to or less than the percentage of Low- and Moderate-Income households occupying Affordable Units); and 2) an accounting statement prepared by a certified public accountant demonstrating that the total development cost of the Affordable Units minus the non-award source funds equal at least the amount of the Award. In the event that the Developer cannot satisfy the above conditions for discharge, the Award shall be repayable to the Administering Agency on behalf of the Trust on demand under the terms and conditions of the Note. Developer shall also be subject to the enforcement provisions of Section 14 below.

Section 5. Notices

All notices or other communication required or permitted to be given under this Agreement shall be in writing, signed by a duly authorized officer of either the Trust, the Administering Agency or the Developer, and shall be deemed delivered if mailed, postage prepaid, by registered or certified mail, return receipt requested, to the principal office of the party to which it is directed, which is as follows unless otherwise designated by written notice to the other Parties:

Trust: Neighborhood Housing Trust  
c/o 52 Chauncy Street  
Boston, MA  
Attn: Lawrence Dwyer

with a copy to: Collector-Treasurer's Office  
City of Boston  
One City Hall Square  
Room M-5  
Boston, MA  
Attn: Lee Jackson

Developer:

with a copy to:

City: Joseph I. Mulligan  
Corporation Counsel  
Room 615, City Hall  
One City Hall Plaza  
Boston, MA 02201  
Attn: Jane M. O'Malley

Administering Agency:

with a copy to:

## Section 6. Transfer of Interest

All rights and interests accorded by this Agreement to the Developer shall not be assigned, delegated, subcontracted, or in any way transferred by the Developer without prior written approval of the Administering Agency.

## Section 7. Liability

No officer, director, agent or employee of the Trust or the Administering Agency shall have any personal liability for the payment or performance of the Trust's or the Administering Agency's obligation under this Agreement. The Trust and the Administering Agency shall not have any liability for the Project.

## Section 8. Amendment

This Agreement, or any part hereof, may be amended from time to time hereafter only in writing executed by all the Parties.

## Section 9. Severability

Each and every covenant and condition contained in this Agreement is and shall be construed to be a separate and independent covenant and condition. If any term or provision of this Agreement, or the application thereof to any person or circumstance, shall to any extent be invalid and unenforceable, the remainder of this Agreement, or the application of such terms to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and shall be enforced to the extent permitted by law.

## Section 10. Execution in Counterparts

This Agreement may be executed in \_\_\_\_\_ counterparts. All such counterparts shall be deemed to be originals and together shall constitute but one and the same instrument.

## Section 11. Table of Contents, Titles and Headings

The headings of sections, subsections and paragraphs set forth herein are for convenience of references only and are not a part of this Agreement and shall be disregarded in construing or interpreting any of the provisions of the Agreement.

## Section 13. Successors and Assigns

Notwithstanding any subsequent amendment to or repeal of Articles 26 and 26A of the Boston Zoning Code, or any court decision having the effect of an amendment to or repeal of Articles 26 or 26A of the Boston Zoning Code as applicable, this Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the Parties hereto, including, without

limitation, the Trust, the Developer, the Administering Agency and any successor owner of all or any portion of the Project.

Section 14. Enforcement

The Trust or the Administering Agency may enforce compliance with or the breach of any of the provisions of this Agreement by an action at law or equity in a court of appropriate jurisdiction, including, but not limited to, termination of this Agreement, foreclosure of the Mortgage, acceleration of the Note, or through other appropriate action. The Developer shall pay to the Trust or to the Administering Agency all reasonable costs and expenses, including attorney's fees, which may be incurred by the Trust or brought to enforce compliance, to the extent of the Trust or the Administering Agency prevails. The Trust and the Administering Agency reserve the right to invoke the provisions of this Section after completion of the Project under the terms of this Agreement should it be found that the Developer has falsified any affidavit, cost certification or any other document submitted to the Administering Agency or the Trust concerning the Project.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on their behalf by their respective Officers hereunto duly authorized as of the day and year first written above.

WITNESS:

ADMINISTERING AGENCY

\_\_\_\_\_

By: \_\_\_\_\_

WITNESS

DEVELOPER

\_\_\_\_\_

By: \_\_\_\_\_

WITNESS

NEIGHBORHOOD HOUSING TRUST

\_\_\_\_\_

By: \_\_\_\_\_

Approved as to form:

\_\_\_\_\_

# Exhibit K—Articles 26, 26A and 26B and BRA Regulations: Development Impact Projects

## ‡ARTICLE 26

### DEVELOPMENT IMPACT PROJECTS

(‡Article inserted on December 29, 1983)

**SECTION 26-1. Statement of Purpose.** The purpose of this article is to promote the public health, safety, convenience and welfare; to prevent overcrowding and deterioration of existing housing; to preserve and increase the City's housing amenities; to facilitate the adequate provision of the public requirement for low and moderate income housing; and to establish a balance between new, large-scale real estate development and the low and moderate income housing needs of the City of Boston, by provisions designed to:

1. Afford review and to regulate large-scale real estate development projects which create new jobs and attract new workers to the City of Boston.
2. Increase the availability of low and moderate income housing by requiring developers, as a condition of the grant of deviations from the Zoning Code or the grant of an amendment to the Zoning Map, to make a development impact payment to the Neighborhood Housing Trust or to contribute to the creation of low and moderate income housing.

### SECTION 26-2. Definitions.

1. "Development Impact Project", any development in the City of Boston in which it is proposed to erect a building or structure having a gross floor area (exclusive of all accessory parking garage space) in excess of one hundred thousand (100,000) square feet, or to enlarge or extend a building or structure so as to increase its gross floor area (exclusive of all accessory parking garage space) by more

than one hundred thousand (100,000) square feet or to substantially rehabilitate a building or structure having, or to have, after rehabilitation, a gross floor area (exclusive of all accessory parking garage space) of more than one hundred thousand (100,000) square feet; which building or structure is intended for a use for which the use item number is listed in Table C, Section 26-3, or, for a use for which the use item number is not listed if such building project will directly result in a reduction in the supply of low and moderate income dwelling units; and which development requires a variance, conditional use permit, exception or zoning map or text amendment.

2. "Development Impact Project Plan", a plan for a development which qualifies as a Development Impact Project. The Plan shall set forth the proposed location and appearance of structures, open spaces and landscaping, proposed uses of the building or buildings, densities, projected number of employees, proposed traffic circulation, parking and loading facilities, access to public transportation, proposed dimensions of structures, and may include proposed building elevations, schematic layout drawings and exterior building materials, and such other matters as the Boston Redevelopment Authority deems appropriate to its consideration of the proposed construction.
3. "Development Impact Project Exaction", the payment of a sum of money by the Project applicant, which rate of payment is set forth in Section 26-3(2), below, to the Neighborhood Housing Trust (the Housing Payment Exaction) or the creation, by the Project applicant, of housing units (the Housing Creation Exaction).
  - (a) The Housing Payment Exaction shall be made to the Neighborhood Housing Trust in twelve (12) equal, annual installments, the first installment due upon the issuance of a certificate of occupancy for the Project building or

twenty-four (24) months after the granting of the building permit, whichever comes first. The remaining eleven (11) payments shall be due and payable annually on the anniversary of the first payment. However, if said Neighborhood Housing Trust has not been created at the time any such Housing Payment Exaction becomes due, the Project applicant shall make the payment to the Boston Redevelopment Authority. The Boston Redevelopment Authority shall place any payments received, on account of the Housing Payment Exaction requirement in an escrow account, to be held therein for the benefit of the Trust, until such time as the Neighborhood Housing Trust is created. Any payments made by the Project applicant to the Neighborhood Housing Trust, on account of the Housing Payment Exaction requirement, shall be credited against any amounts due to said Trust on account of any neighborhood impact excise which may be assessed by the City of Boston.

- (b) The Housing Creation Exaction requirement shall be met by contributing to the creation of housing units, for occupancy exclusively by low and moderate income residents of the City, at a cost at least equal to the amount of the appropriate Housing Payment Exaction, and in conformity with written regulations to be adopted by the Boston Redevelopment Authority after public notice and hearing. The actual Housing Creation Exaction may be approved by the Authority only after public notice and hearing.
4. "Substantially rehabilitate", to cause alterations or repairs to be made, to a building or structure, within any period of twelve (12) months, costing in excess of fifty (50) percent of the physical value of the building or structure. Physical value of a building or structure shall be based on the assessed value as recorded in the assessor's office of the City of Boston.



5. "Neighborhood Housing Trust", a Massachusetts charitable trust to be created pursuant to the Special Statutes and Ordinances of the City of Boston. The Trust will administer funds received by means of the Housing Payment Exaction requirement for Development Impact Projects.
6. "Public agency", a department, agency, board, commission, authority, or other instrumentality of the Commonwealth, or of one or more political subdivision(s) of the Commonwealth, or the United States.

**SECTION 26-3. Development Impact Project Requirements.** No variance, conditional use permit, exception or zoning map or text amendment for a Development Impact Project shall be granted, allowed or adopted unless the following requirements are met:

1. The Boston Redevelopment Authority, after a public hearing, shall have approved a Development Impact Project Plan. No Plan shall be approved by the Authority unless the Authority finds that the Plan conforms to the general plan for the City as a whole and that nothing in such Plan will be injurious to the neighborhood or otherwise detrimental to the public welfare; and
2. The person or persons making application for a variance, conditional use permit, exception, or zoning map or text amendment to erect, substantially rehabilitate, enlarge, or extend a building or structure pursuant to a Development Impact Project Plan shall also have entered into an agreement with the Boston Redevelopment Authority and the Neighborhood Housing Trust to be responsible for a Development Impact Project Exaction.
  - (a) For each use listed below, in Table C, a Housing Payment Exaction of five dollars (\$5.00) for each square foot of gross floor area in excess of one hundred thousand

(100,000) square feet, shall be required. Uses, other than accessory parking, that are ancillary or accessory to the uses listed in Table C shall also be subject to the Housing Payment Exaction.

TABLE C: DEVELOPMENT IMPACT USES

Use	Use Item Numbers
Office	39, 39A, 40, 41, 42
Retail Business and Service	30, 31, 32, 34, 34A, 35, 36, 36A, 37, 37A, 38, 38A, 43, 44, 45, 46, 47, 48, 49, 60, 60A, 61
Institutional and Educational	11, 12, 13, 13A, 14, 16, 16A, 17, 18, 19, 20, 20A, 21, 22, 22A, 23, 24, 29,
Hotel and Motel, but not including Apartment Hotel	15

- (b) For mixed-use buildings or structures in which one or more of the above uses are combined, the above requirements shall apply if the gross floor area devoted to any one or more of the said uses shall in the aggregate exceed one hundred thousand (100,000) square feet.
- (c) The Housing Payment Exaction rate for the use categories listed in Table C shall be subject to recalculation five (5) years after the effective date of this provision and every five (5) years thereafter. The Boston Redevelopment Authority, after public notice and hearing, shall make a recommendation to the Zoning Commission for the amendment of the Housing Payment Exaction, based

on a consideration of the following criteria:

- (i) Economic trends measured in terms of development activity, commercial rents per square foot, employment growth, and inflation rates.
- (ii) Housing trends measured in terms of vacancy rates for low and moderate income housing, and production statistics for new dwelling units.

The resulting analysis will determine the changes in the City's low and moderate income housing needs and the continuing ability of new, large-scale development to assist in meeting the housing needs of the City of Boston.

- (d) The Building Commissioner shall not issue any building or use permit with respect to any building, structure, or land within an area covered by a Project Plan, unless the Director of the Boston Redevelopment Authority has certified on the application therefor, and on each and every plan, drawing or specification filed with the Building Commissioner in connection therewith, that the same have been subject to design review, and that the same are consistent with the Authority-approved Project Plan and that the applicant has entered into an agreement with the Boston Redevelopment Authority and the Neighborhood Housing Trust, as provided in Sections 26-2(3) and 26-3(2), above.

3. The following are not Development Impact Projects and will not be subject to the Development Impact Project Requirements:

- (a) Any building or structure for which a building or use permit is lawfully issued before notice of hearing before the

Zoning Commission has first been given respecting adoption of the Development Impact Project provision, provided that construction work under such a permit is commenced within six months after its issue, and the work proceeds in good faith continuously to completion so far as is reasonably practicable under the circumstances;

- (b) Any building or structure for which construction or permanent financing has been secured, as evidenced by an irrevocable written commitment of a lending institution or a recorded mortgage indenture, and by the borrower's bona fide payment of a loan commitment fee; or
- (c) Any building or structure which is, or will be, wholly-owned by one or more public agencies.

^ Article 26A  
See TA 80

^ Article 26B  
See TA 81

TEXT AMENDMENT NO. 80  
THE COMMONWEALTH OF MASSACHUSETTS  
CITY OF BOSTON  
IN ZONING COMMISSION

EFFECTIVE  
February 27, 1986†

The Zoning Commission of the City of Boston, acting under Chapter 665 of the Acts of 1956 as amended, after due report, notice and hearing does hereby amend the Boston Zoning Code as follows:

A. By inserting, after Article 26 of said Code, the following article:

ARTICLE 26A

DEVELOPMENT IMPACT PROJECTS - HOUSING

SECTION 26A-1. Statement of Purpose. The purpose of this article is to promote the public health, safety, convenience and welfare; to prevent overcrowding and deterioration of existing housing; to preserve and increase the City's housing stock; to establish a balance between new, large-scale real estate development and the housing needs of the City; and to mitigate the impacts of large-scale development on the available supply of low and moderate income housing, by provisions designed to:

1. Afford review and regulation of large-scale real estate development projects which directly or indirectly displace low or moderate income residents from housing units or contribute to an increase in the costs of housing.
2. Increase the availability of low and moderate income housing by requiring developers, as a condition of the grant of deviations from the Zoning Code or the grant of an amendment to the zoning map or text, to create low and moderate income housing or to make a housing contribution grant to the Neighborhood Housing Trust ("Trust").

SECTION 26A-2. Definitions.

1. "Development Impact Project", any development in the City in which it is proposed to erect a structure or structures having a total gross floor area (exclusive of all accessory parking garage space) in excess of one hundred thousand (100,000) square feet or to enlarge or extend a structure or structures so as to increase its (or their) gross floor area

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†Date of public notice: February 13, 1986 (see St. 1956, c. 665, s. 5).

(exclusive of all accessory parking garage space) by more than one hundred thousand (100,000) square feet or to substantially rehabilitate a structure or structures having, or to have, after rehabilitation, a gross floor area (exclusive of all accessory parking garage space) of more than one hundred thousand (100,000) square feet; which structure or structures is (are) intended for a use for which the use item number is listed in Table D, Section 26A-3(2)(a), or, for a use for which the use item number is not listed if such Project will directly result in a reduction in the supply of low and moderate income dwelling units as determined by the Boston Redevelopment Authority ("Authority") and which Project requires a variance, conditional use permit, exception, or zoning map or text amendment.

2. "Development Impact Project Plan", a plan for a project which is a Development Impact Project. The Plan shall set forth the proposed location and appearance of structures, open spaces and landscaping, proposed uses of the structure or structures, densities, projected number of employees, proposed traffic circulation, parking and loading facilities, access to public transportation, and proposed dimensions of structures, and may include proposed building elevations, schematic layout drawings and exterior building materials, the neighborhood where the Project is located and the adjacent neighborhoods, and such other matters as the Director of the Authority deems appropriate to his consideration of the proposed construction.
3. "Development Impact Project Contribution", the creation, by the Project applicant, of low and moderate income housing units by means of the Housing Creation Option, or the grant and payment of a sum of money by the Project applicant by means of the Housing Contribution Option calculated according to the formula as set forth in Section 26A-3(2), to and for the exclusive benefit of the Neighborhood Housing Trust.
  - (a) The Housing Creation Option shall be met by creating or causing to be created housing units, for occupancy exclusively by low and moderate income residents of the City, at a cost at least equivalent to the amount of the Housing Contribution Grant, and in conformity with written regulations to be adopted by the Authority after public notice and hearing. The actual Housing Creation Contribution may be approved by the Authority only after public notice and hearing.
  - (b) The Housing Contribution Grant shall be made to the Neighborhood Housing Trust in seven (7) equal, annual installments, the first installment due upon the issuance of a building permit. The remaining six (6) payments of the Grant shall be due and payable annually on the anniversary of the first payment. All payments constituting the Housing Contribution Grant shall be made to the Collector-Treasurer of the City as custodian pending acceptance of such payments for the Trust by the City. Any payments made by the Project applicant to the Neighborhood Housing Trust, on account of the Housing Contribution Option, shall be credited against any amounts due to said Trust on account of any neighborhood impact excise which may be assessed by the City.

(c) Ten percent (10%) of any Housing Contribution Grant made for projects located in the area lying within the boundaries set forth in Section 26A-4 and twenty percent (20%) of any Housing Contribution Grant made for projects located in areas lying outside of these boundaries shall be reserved for the neighborhood or neighborhoods where or adjacent to where the Project is located ("impacted neighborhood") as defined in the approved Development Impact Project Plan, provided that the Neighborhood Housing Trust finds that in the targeted area proposals for feasible housing projects can be developed.

4. "Substantially rehabilitate", to cause alterations or repairs to be made, to a structure or structures, costing in excess of fifty percent (50%) of the physical value of the structure or structures. Physical value of a structure or structures shall be based on the assessed value as recorded on the assessment rolls of the City as of the January 1 preceding the date of the application for Development Impact Project Plan approval.
5. "Neighborhood Housing Trust", a Massachusetts public charitable trust created under the laws of the Commonwealth on November 19, 1985 and administered by the Collector-Treasurer of the City as managing trustee or another trust, if passed by the Council and approved by the Mayor.
6. "Public agency", a department, agency, board, commission, authority, or other instrumentality of the Commonwealth, or of one or more political subdivision(s) of the Commonwealth or of the United States.
7. "Low and moderate income residents", households located in the city whose total annual income is not more than eighty percent (80%) of the median income for the Boston area as set forth in regulations promulgated from time to time by the United States Department of Housing and Urban Development pursuant to the Housing and Community Development Act of 1974, as amended.

SECTION 26A-3. Development Impact Project Requirements. No variance, conditional use permit, exception or zoning map or text amendment for a Development Impact Project shall be granted or adopted unless the following requirements are met:

1. The Authority, after a public meeting, shall have approved a Development Impact Project Plan. No Plan shall be approved by the Authority unless the Authority finds that the Plan conforms to the general plan for the City as a whole and that nothing in such Plan will be injurious to the neighborhood or otherwise detrimental to the public welfare; and
2. The person or persons making application for a variance, conditional use permit, exception or zoning map or text amendment to erect, substantially rehabilitate, enlarge, or extend a structure pursuant to a Development Impact Project Plan shall also have entered into an agreement with the Authority to make a Development Impact Project Contribution.

- (a) For each use listed below, in Table D, a Housing Contribution Grant of five dollars (\$5.00) for each square foot of gross floor area in excess of one hundred thousand (100,000) square feet, shall be required. Uses, other than accessory parking, that are ancillary or accessory to the uses listed in Table D shall also be subject to the Housing Contribution Grant requirement.

TABLE D: Development Impact Uses

<u>Use</u>	<u>Use Item Numbers</u>
Office	39, 39A, 40, 41, 42
Retail Business and Service	30, 31, 32, 34, 34A, 35, 36, 36A, 37, 37A, 38, 38A, 43, 44, 45, 46, 47, 48, 49, 60, 60A, 61
Institutional and Educational	16, 16A, 18, 19, 20, 20A, 21, 22, 22A, 23, 24, 29
Hotel and Motel, but not including Apartment Hotel	15

- (b) For mixed-use structures in which one or more of the above uses are combined, the above requirements shall apply if the gross floor area devoted to any one or more of the uses shall in the aggregate exceed one hundred thousand (100,000) square feet.
- (c) The formula (amount and rate of payment) for the Housing Contribution Grant for the use categories listed in Table D shall be subject to recalculation three (3) years after the effective date of this provision and every three (3) years thereafter. The Authority, after public notice and public hearing, when appropriate shall make a recommendation to the Zoning Commission to amend the formula for the Housing Contribution Grant, based on a consideration of the following criteria:
- (i) Economic trends measured in terms including but not limited to development activity, commercial rents per square foot, employment growth, and inflation rates.
  - (ii) Housing trends measured in terms of, including but not limited to, vacancy rates for low and moderate income housing, and production statistics for new dwelling units.
- (d) The Commissioner of Inspectional Services shall not issue any building or use permit with respect to any building, structure, or land within an area covered by a Development Impact Project Plan, unless the Director of the Authority has certified on the application



therefor, and on each plan, drawing or specification filed with the Commissioner in connection therewith, that the plans have been subject to design review, and that the plans are consistent with the Authority-approved Development Impact Project Plan and that the applicant has entered into an agreement with the Authority, as provided in Sections 26A-2(3) and 26A-3(2).

3. The following are not Development Impact Projects and will not be subject to the Development Impact Project requirements:
  - (a) Any structure for which a building or use permit is lawfully issued before notice of hearing before the Zoning Commission has first been given respecting adoption of Article 26A, provided that construction work under such a permit is commenced within six months after its issue, and the work proceeds in good faith continuously to completion so far as is reasonably practicable under the circumstances;
  - (b) Any structure for which construction or permanent financing has been secured before notice of hearing before the Zoning Commission has first been given respecting Article 26A, as evidenced by an irrevocable written commitment of a lending institution or a recorded mortgage indenture, and by the borrower's bona fide payment of a loan commitment fee; or
  - (c) Any building or structure which is, or will be, wholly-owned by one or more public agencies.
4. Article 26A supplements and does not repeal Article 26, which shall continue to apply to Development Impact Project Plans that were approved pursuant to Article 26. Development Impact Project Plans approved pursuant to Article 26 prior to the effective date of Article 26A shall not be subject to the requirements of Article 26A.

SECTION 26A-4. Applicability. The rate of payment set forth in Section 26A-2(3)(b) shall only apply to Development Impact Projects located in an area lying within the boundaries set forth below:

Beginning at the intersection of the southern bank of the Charles River and the centerline of Massachusetts Avenue and running southerly and southeasterly along the centerline of Massachusetts Avenue to the intersection with the centerline of Tremont Street;

Thence running northeasterly along the centerline of Tremont Street to the centerline of East Berkeley Street;

Thence running easterly along the centerline of East Berkeley Street and the West Fourth Street Bridge to the intersection with the centerline of Dorchester Avenue;

Thence running northerly along the centerline of old Dorchester Avenue to the intersection with the edge of land on the northwesterly side of Fort Point Channel;

Thence running northeasterly along the water's edge or the U.S. Pierhead Line, whichever shall be more inclusive, to the Metropolitan District Commission Dam at the mouth of the Charles River;

Thence running across the southerly side of the Metropolitan District Commission Dam and along the southerly bank of the Charles River to the beginning point at the intersection thereof with the centerline of Massachusetts Avenue.

The rate of payment set forth in Section 26-2(3)(a) shall apply to Development Impact Projects located in all other areas of the City. Section 26-2(3)(a) provides in relevant part that:

The Housing Contribution Grant shall be made to the Neighborhood Housing Trust in twelve (12) equal, annual installments, the first installment due upon the issuance of a certificate of occupancy for the Project building or twenty-four (24) months after the granting of the building permit, whichever comes first. The remaining eleven (11) payments shall be due and payable annually on the anniversary of the first payment.

Where the boundary described above divides a Development Impact Project, the rate of payment set forth in Section 26A-2(3)(b) shall apply. Use item numbers 11, 12, 13, 13A, 14 and 17 shall be exempt from the provisions of Articles 26 and 26A.

SECTION 26A-5. Severability. The provisions of this Article are severable, and if any such provision or provisions shall be ruled invalid by any decision of court of competent jurisdiction, such decision shall not impair or otherwise affect any other provision of this Article.

- B. By adding, in Section 6-3(f), after "Section 26-2," the phrase "26A-2 or 26B-2," and after "Section 26-3" deleting the period and adding the phrase "or 26A-3 and in Section 26B-3."
- C. By adding, in Section 6A-3(c), after "Section 26-2," the phrase "26A-2 or 26B-2," and after "Section 26-3" deleting the period and adding the phrase "or 26A-3 and in Section 26B-3."
- D. By adding, in Section 7-3(d), after "Section 26-2," the phrase "26A-2 or 26B-2," and after "Section 26-3," deleting the comma and adding the phrase "or 26A-3 and in Section 26B-3,".

Richard B. Fenton  
Chairman

\_\_\_\_\_  
Vice Chairman

Charles W. Coakley  
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Anthony M. Watson  
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Anna M. Perry  
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James R. DeLoach  
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Robert Anderson  
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Joseph W. Joyce  
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In Zoning Commission

Adopted: February 26, 1986

Attest: Marguerite Hildebrand  
Secretary

Raymond L. Lynn  
Mayor, City of Boston

Date: February 27, 1986

The foregoing amendment was presented to the Mayor on February 27, 1986, and was signed by him on February 27, 1986, whereupon it became effective on February 27, 1986, in accordance with the provisions of Section 3 of Chapter 665 of the Acts of 1956.

Attest: Marguerite Hildebrand  
Secretary

TEXT AMENDMENT NO. 81  
THE COMMONWEALTH OF MASSACHUSETTS  
CITY OF BOSTON  
IN ZONING COMMISSION

EFFECTIVE  
February 27, 1986†

The Zoning Commission of the City of Boston, acting under Chapter 665 of the Acts of 1956 as amended, after due report, notice and hearing does hereby amend the Boston Zoning Code as follows:

A. By inserting, after Article 26A of said Code, the following article:

ARTICLE 26B

DEVELOPMENT IMPACT PROJECTS - JOB TRAINING

SECTION 26B-1. Statement of Purpose.

The purpose of this article is to promote the public health, safety, convenience and welfare and to mitigate the adverse impacts of new large-scale real estate development projects on existing development by providing for job training for low and moderate income people. In particular, the owners of new commercial uses, which are more capital intensive and less land intensive than industrial uses, can pay more for land than owners of manufacturing uses; therefore these uses directly result in higher land costs and indirectly cause further land price increases by increasing housing demand. Workers will therefore need to be trained so that they will have the job skills necessary to compete for these new jobs. This Article is designed to:

1. Afford review and to regulate large-scale real estate development projects which result in the creation of new jobs, requiring the creation of new job training programs or the expansion of existing ones.
2. Increase the opportunities for job training for low and moderate income people by requiring developers, as a condition of the grant of deviations from the Zoning Code or the grant of an amendment to the zoning map or text, to make a development impact payment to the Neighborhood Jobs Trust.

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†Date of public notice: February 13, 1986 (see St. 1956, c. 665, s. 5).

SECTION 26B-2. Definitions.

1. "Development Impact Project", any development in the City of Boston ("City") in which it is proposed to erect a structure or structures having a gross floor area (exclusive of all accessory parking garage space) in excess of one hundred thousand (100,000) square feet or to enlarge or extend a structure or structures so as to increase its (or their) gross floor area (exclusive of all accessory parking garage space) by more than one hundred thousand (100,000) square feet or to substantially rehabilitate a structure or structures having, or to have, after rehabilitation, a gross floor area (exclusive of all accessory parking garage space) of more than one hundred thousand (100,000) square feet; which structure or structures is (are) intended for a use for which the use item number is listed in Table E, Section 26B-3; and which development requires a variance, conditional use permit, exception, or zoning map or text amendment.
2. "Development Impact Project Plan", a plan for a project which is a Development Impact Project. The Plan shall set forth the proposed location and appearance of structures, open spaces and landscaping, proposed uses of the structure or structures, densities, projected number of employees, proposed traffic circulation, parking and loading facilities, access to public transportation, and proposed dimensions of structures, and may include proposed building elevations, schematic layout drawings and exterior building materials, and such other matters as the Director of the Boston Redevelopment Authority ("Authority") deems appropriate to his consideration of the proposed construction.
3. "Jobs Contribution Grant", the payment of a sum of money by the Project applicant, for which a formula for payment is set forth in Section 26B-3(1)(a), to or for the exclusive benefit of the Neighborhood Jobs Trust.
  - a. The Jobs Contribution Grant shall be made to the Neighborhood Jobs Trust in two (2) equal, annual installments, the first installment due upon the issuance of a building permit. The remaining payment shall be due and payable on the anniversary of the first payment. All Jobs Contribution Grants shall be made to the Collector-Treasurer of the City as custodian, pending acceptance of such payments for the Neighborhood Jobs Trust by the City. All Jobs Contribution Grants shall be credited against any amounts due to said Trust on account of any neighborhood impact excise which may be assessed by the City.
  - b. Twenty percent (20%) of any Jobs Contribution Grant shall be reserved for the neighborhood or neighborhoods where or adjacent to where the Project is located, as defined in the approved Development Impact Project Plan.
  - c. Jobs Creation Contribution. A project applicant may use its Jobs Contribution Grant to create a job training program for workers who will be employed, on a permanent basis, at the Project, upon approval by the Director of the Mayor's Office of Jobs and Community Services.

4. "Substantially rehabilitate", to cause alterations or repairs to be made, to a structure or structures, within any period of twelve (12) months, costing in excess of fifty percent (50%) of the physical value of the structure or structures. Physical value shall be based on the assessed value as recorded on the assessment rolls of the City as of January 1 next preceding the date of the application for Development Impact Project Plan approval.
5. "Neighborhood Jobs Trust", a Massachusetts public charitable trust created under the laws of the Commonwealth on November 19, 1985 and administered by the Collector-Treasurer of the City as managing trustee or another trust, if passed by the Council and approved by the Mayor.
6. "Public agency", a department, agency, board, commission, authority, or other instrumentality of the Commonwealth, or of one or more political subdivision(s) of the Commonwealth, or of the United States.

SECTION 26B-3. Development Impact Project Requirements. No variance, conditional use permit, exception or zoning map or text amendment for a Development Impact Project shall be granted or adopted unless the following requirements are met in addition to those set forth in Section 26A-3:

1. The person or persons making application for a variance, conditional use permit, exception, or zoning map or text amendment to erect, substantially rehabilitate, enlarge, or extend a structure pursuant to a Development Impact Project Plan approval shall also have entered into an agreement with the Authority to make a Jobs Contribution Grant in the amount specified in (a) below.
  - (a) For each use listed in Table E, a Jobs Contribution Grant of one dollar (\$1.00) for each square foot of gross floor area in excess of one hundred thousand (100,000) square feet, shall be required. Uses, other than accessory parking, that are accessory to the uses listed in Table E shall also be subject to the Jobs Contribution Grant.

TABLE E: Development Impact Uses

<u>Use</u>	<u>Use Item Numbers</u>
Office	39, 39A, 40, 41, 42
Retail Business and Service	30, 31, 32, 34, 34A, 35, 36, 36A, 37, 37A, 38, 38A, 43, 44, 45, 46, 47, 48, 49, 60, 60A, 61
Institutional and Educational	16, 16A, 18, 19, 20, 20A, 21, 22, 22A, 23, 24, 29
Hotel and Motel, but not including Apartment Hotel	15

- (b) For mixed-use structures in which one or more of the above uses are combined, the above requirements shall apply if the gross floor area devoted to any one or more of the uses shall in the aggregate exceed one hundred thousand (100,000) square feet.
- (c) The formula (amount and rate of payment) for the Jobs Contribution Grant for the use categories listed in Table E shall be subject to recalculation three (3) years after the effective date of this provision and every three (3) years thereafter. The Authority, after public notice and public hearing, where appropriate, shall make a recommendation to the Zoning Commission to amend the formula for the Jobs Contribution Grant, based on a consideration of the following criteria:
  - (i) Economic trends measured in terms of, including but not limited to, development activity, commercial rents per square foot, employment growth, and inflation rates.
  - (ii) Employment trends measured in terms of, including but not limited to, unemployment rates, and statistics on job training programs.

The resulting analysis will determine the changes in the City's employment training needs and the continuing ability of new, large-scale development to assist in meeting the employment training needs of the City.

- (d) The Commissioner of Inspectional Services shall not issue any building or use permit with respect to any building, structure, or land within an area covered by a Development Impact Project Plan, unless the Director of the Authority has certified on the application therefor, and on each plan, drawing or specification filed with the Commissioner in connection therewith, that the plans have been subject to design review, and that the plans are consistent with the Authority-approved Development Impact Project Plan and that the applicant has entered into an agreement with the Authority, as provided in Sections 26B-2(3) and 26B-3(1).
2. The following are not Development Impact Projects and will not be subject to the Development Impact Project requirements:
- (a) Any structure or structures for which a building or use permit is lawfully issued before notice of hearing before the Zoning Commission has first been given respecting adoption of Article 26B, provided that construction work under such a permit is commenced within six (6) months after its issue, and the work proceeds in good faith continuously to completion so far as is reasonably practicable under the circumstances;
  - (b) Any building or structure for which construction or permanent financing has been secured before notice of hearing before the Zoning Commission has first been given respecting Article 26A, as evidenced by an irrevocable written commitment of a lending institution or a recorded mortgage indenture, and by the borrower's bona fide payment of a loan commitment fee; or

(c) Any building or structure which is, or will be, wholly-owned by one or more public agencies.

3. Development Impact Project Plans approved pursuant to Article 26 prior to the effective date of Article 26B shall not be subject to the requirements of Article 26B.

SECTION 26B-4. Severability. The provisions of this Article are severable, and if any such provision or provisions shall be ruled invalid by any decision of any court of competent jurisdiction, such decision shall not impair or otherwise affect any other provision of this Article.



Richard B Fowler  
Chairman

Vice Chairman

Charles H. Cary

Robert M. Watson

Ana M. Perry

Frank W. MacDonell

Robert Landrum

Joseph W. Joyce

In Zoning Commission

Adopted: February 26, 1986

Attest: Marguerite Keldorand  
Secretary

Raymond W. Flynn  
Mayor, City of Boston

Date: February 27, 1986

The foregoing amendment was presented to the Mayor on February 27, 1986, and was signed by him on February 27, 1986, whereupon it became effective on February 27, 1986, in accordance with the provisions of Section 3 of Chapter 665 of the Acts of 1956.

Attest: Marguerite Keldorand  
Secretary

Section 5 of the Enabling Act also provides that if a permit is issued or a structure is lawfully begun before notice of an amendment is given, and if construction work under the permit commences within six months after issuance and the work proceeds in good faith continuously to completion as far as reasonably practicable, then the subsequent adoption of the amendment will not render the use or structure unlawful, but will instead confer upon the use or structure lawful nonconforming status. However, Section 5 of the Enabling Act does not define the term "permit." Because of the reference to the commencement of construction work, the reference is deemed to include at least a building permit. Indeed, Section 38-10-2, governing PDAs in the Midtown Cultural District, expressly provides that the issuance of a building permit for any portion of a Proposed Project shall be deemed to be issuance of a building permit for the entire Proposed Project for purposes of applying Section 5, and further provides that the requirement of Section 5 that the construction work proceed continuously to completion shall be deemed satisfied so long as construction of the Proposed Project proceeds generally in accordance with the development schedule approved by the BRA in conjunction with the approved Development Plan. It should also be deemed to include (insofar as necessary) a change of occupancy.

However, it is unclear whether a conditional use permit or variance or exception for a planned development area granted pursuant to Article 6A of the Code may be deemed to be a "permit issued" within the meaning of Section 5 of the Enabling Act in order to fully secure the property owner's rights to use the property in accordance with the conditional use permit, variance or exception. The language of Section 5 of the Enabling Act which provides that construction work under the permit must commence within six months argues in favor of the conclusion that a conditional use permit, variance or exception does not protect a property owner against a subsequent notice of an amendment to the Code which would prohibit the use authorized by the conditional use permit, variance or exception.

Therefore, property owners are well advised to secure a building permit or change of occupancy in accordance with the provisions of a conditional use permit or variance as soon as possible following expiration of the appeal period.

## Linkage

In 1983, Boston first enacted its system of development exactions, commonly known as the "linkage" program, in response to a report by the Advisory Group on Linkage Between Downtown Development and Neighborhood Housing, which noted the parallel decrease in the availability of affordable housing and the increase in downtown development in the city of Boston. The linkage program, enacted as Article 26 of the Boston Zoning Code (see Exhibit K), sought to "establish a balance between new, large-scale real estate development and the low and moderate income housing needs of the city" by affording review and regula-

tion of large-scale real estate development projects which create new jobs and attract new workers to the city, and by exacting fees from proponents of certain downtown developments as a condition of grant of zoning relief in order to fund needed affordable housing or by otherwise requiring them to contribute to the creation of low and moderate income housing (the "Development Impact Project Exaction").

The program applies only to "Development Impact Projects," defined as new construction and rehabilitation projects with total gross floor area in excess of 100,000 square feet, which are to be used for office, retail business and service, institutional, educational, hotel or motel purposes (or any other use if the project would directly result in a reduction in the supply of low- and moderate-income dwelling units), and which require any zoning relief. No variance, conditional use permit, exception or zoning map or text amendment for such a project shall be granted unless the BRA has approved a Development Impact Project Plan (as defined in Article 26) and the applicant has entered into an agreement with the BRA and the Neighborhood Housing Trust to pay a Housing Payment Exaction equal to \$5.00 for each square foot of gross floor area devoted to the uses as specified above in excess of 100,000 square feet. The fees are donated to the Neighborhood Housing Trust, a public charitable trust, for use in providing affordable housing. Alternatively, the developer may elect to create low- and moderate-income housing at a cost equivalent to the Housing Payment Exaction (the "Housing Creation Exaction"). Under the 1983 version of the linkage program, payments were allowed to be spread over twelve years, commencing upon issuance of the certificate of occupancy (but in no event commencing later than twenty-four months after issuance of the building permit).

Text Amendment No. 80 (February 27, 1986) added Article 26A to the Code (see Exhibit K), which by its terms supplements and does not repeal Article 26, which continues to apply to Development Impact Project Plans approved pursuant to Article 26. However, Article 26A also provides that the rate of payment set forth in Section 26-2(3)(a) shall apply to projects which are not located in the defined area of the city to which Article 26A applies. Article 26A parallels the provisions of Article 26 but substitutes a requirement to make a "Development Impact Project Contribution" for the requirement to make a Development Impact Project Exaction, and a requirement to pay a "Housing Contribution Grant" to the Neighborhood Housing Trust in lieu of the requirement to make a "Housing Payment Exaction," or, alternatively, the requirement to fulfill a "Housing Creation Option" in lieu of fulfilling the "Housing Creation Exaction." The Housing Contribution Grant must be made in seven annual installments, the first of which is due upon issuance of the building permit. Furthermore, Article 26A requires that 10 percent of any Housing Contribution Grant made for projects located in specified areas and 20 percent of any Housing Contribution Grant made for projects located outside those areas must be reserved for the neighborhood in which, or adjacent

to that in which, the project is located ("Impacted Neighborhood") as defined in the approved Development Impact Project Plan, provided that the Neighborhood Housing Trust finds that feasible housing projects can be developed in the targeted area. Article 26A provides that the Housing Contribution Grant shall be recalculated every three years (rather than every five years as provided by Article 26 for the Housing Payment Exaction). Article 26A also expressly exempts certain uses previously listed as Development Impact Uses in Article 26 (such as dormitories and day care centers) from the provisions of both Articles 26 and 26A, and omits from the table contained in Section 26A-3-2(a) certain other use items which are included on the list of Development Impact Uses contained in Section 26-3-2(a). Under either article, the building commissioner may not issue any building or use permit with respect to any building in a project plan area unless the director of the BRA has certified on the application and each such plan that the same has been subject to design review and is consistent with the BRA-approved project plan, and that the applicant has entered into the required agreement with the BRA and/or Neighborhood Housing Trust.

Text Amendment No. 81 (February 27, 1986), Article 26B of the Code (see Exhibit K), expanded on the linkage concept by requiring for each Development Impact Project payments to the "Neighborhood Jobs Trust," in addition to payments to the Neighborhood Housing Trust or creation of affordable housing. Based on the premise that new commercial uses create a need for job training, the amendment requires payment of a "Jobs Contribution Grant" of one dollar for each square foot of gross floor area of the project in excess of 100,000 square feet, to be made in two annual installments, commencing upon issuance of a building permit (the "Jobs Contribution Grant"), or, in the alternative, use of the Jobs Contribution Grant to create a job training program.

At present the legal status of both linkage programs is uncertain. Although it was subsequently vacated on appeal to the Supreme Judicial Court, the case of *Bonan v. General Hospital Corp.*, Suffolk Superior Court Action No. 76438 (March 31, 1986), vacated *sub nom. Bonan v. Boston*, 398 Mass. 315, 496 N.E.2d 640 (1986), held Article 26 to be invalid. The Superior Court opinion cited several possible grounds for invalidating the ordinance. First, the court held that linkage is not a zoning power authorized, either expressly or by implication, in the Enabling Act. The court distinguished fees, taxes and in-kind contributions from the typical height, bulk, density, dimensional and use controls which may be imposed by the city. Moreover, it was reluctant to infer from the general authorization in the Enabling Act "to avoid undue concentration of population, to facilitate the adequate provision of transportation, water, sewerage, schools, parks and other public requirements" the power to achieve such stated purposes by means other than traditional zoning powers.

Although the court's holding regarding lack of enabling legislation was dispositive, it went on to discuss the characterization of linkage payments as regulatory fees or taxes. The court stated that fees are generally charged in exchange for particular governmental services which should benefit the particular group incurring the expense. In contrast, taxes are primarily designed to raise general revenues. Based on this distinction, the court stated that it considered linkage payments to be a tax, express authority for which had not been delegated to the city.

On appeal, the Supreme Judicial Court vacated the decision on procedural grounds, holding that summary judgment had been premature, that the plaintiffs had failed to state an actual controversy and that the plaintiffs lacked standing to challenge the ordinance. Therefore, it did not reach many of the substantive issues addressed in the lower court opinion, and the Superior Court opinion may well indicate likely grounds of successful future attack on the ordinance.

To reduce the likelihood of successful future attacks on the ordinance, a home rule petition expressly authorizing the program was submitted by Mayor Flynn and subsequently enacted by the legislature, the provisions of which have been codified, *inter alia*, as Sections 16 through 20 of the Enabling Act. 1987 Mass. Acts 371. See Exhibit A.

Section 19 expressly validates all zoning relief, agreements and exactions granted or entered into pursuant to Articles 26, 26A and 26B (the "Linkage Articles"), and provides that developments which are governed by any such relief and agreements are not subject to zoning regulations or amendments thereafter adopted by the Zoning Commission pursuant to Chapter 371.

Section 15 adopts a new set of definitions which differ in some respects from those set forth in the Linkage Articles. In addition to again changing the terms by which the various exactions are identified, the definitions differ from those contained in the Linkage Articles by granting authority to the Zoning Commission to change the definitions of "affordable housing" and "low and moderate income residents" from time to time within certain defined limits. Sections 16 and 17 of the Enabling Act expressly authorize the Zoning Commission to adopt zoning regulations or amendments for the purpose of mitigating the effects of any new "large scale commercial real estate development" on the health and welfare of low- and moderate-income residents of Boston due to the unavailability of affordable housing or employment opportunities, respectively. The regulations shall provide that any developers seeking to obtain zoning relief for construction of a large-scale real estate development (i.e., essentially a Development Impact Project as defined in the Linkage Articles) agree to contribute toward the creation of housing or jobs, in money or in kind, in a manner which is similar to the provisions of the Linkage Articles.

The Zoning Commission is authorized to establish regulations determining the amount of the housing payment based on written recommendations of the BRA analyzing certain factors as set forth therein. In contrast to Article 26B, Section 16 provides that the payment may not be established at more than \$5 per square foot of gross floor area devoted to the specified uses in excess of 100,000 square feet. The comparable cap for the jobs creation payment is \$1. The payment period for the exaction, however, is the same as that set forth in the pertinent provisions of Articles 26A and 26B. Notwithstanding the requirements of Sections 16 and 17, the Zoning Commission has not issued regulations establishing the amount of the exactions, and the BRA continues to apply the pertinent provisions of Articles 26A and 26B.

In each case, such caps may be reexamined no more frequently than at three-year intervals and may be increased by a maximum amount which is proportionate to the increase in a specified consumer price index for the same period. In contrast to the Linkage Articles, Sections 16 and 17 clearly provide that no such increase will apply to any new development for which an application for zoning relief or for a planned development area has been filed with the appropriate governmental authority prior to the effective date of the increase. Section 19 provides that the provisions of the Linkage Articles governing such increases will not apply to new projects.

Section 18 of the Enabling Act further authorizes the Zoning Commission to promulgate zoning regulations and amendments to mitigate the effects of any new large-scale real estate developments on the availability of affordable housing or employment opportunities for low- and moderate-income residents, provided that such regulations may not be enforced simultaneously with those authorized by Sections 16 and 17. The Commission is authorized to provide by such regulations that any zoning relief may be conditioned upon the agreement by the developer to mitigate such effects as determined by the Commission and shall state the specific improvements or amenities to be provided as a condition for such grant. The present and future economic burden of any such improvements or amenities may not exceed the sum of the present value of \$5 per square foot and \$1 per square foot paid over seven-year and two-year periods, respectively, and such amounts are subject to the same proportionate increase at three year intervals allowed by Sections 16 and 17. The Zoning Commission has not yet issued any such regulations.

To date, the only regulations which have been adopted by the BRA or the Zoning Commission with respect to these issues are regulations governing the creation of housing in kind promulgated by the BRA pursuant to Articles 26 and 26A dated April 17, 1986 (see Exhibit K), which regulations predate the enactment of Chapter 371. It is unclear whether the general language of Section 19 is suffi-

ciently broad to validate these regulations which, although adopted pursuant to the authority of the now validated Linkage Articles, do not constitute "action" taken in connection with any contemplated development as appears to be required by Section 19. The question of validity of these regulations is not of serious concern for developers who entered into agreements with the BRA pursuant with the provisions of the Linkage Articles prior to the enactment of Chapter 371, even if the agreements were based on the requirements of such regulations, as other language of Section 19 validates these agreements. However, it is unclear whether such regulations have continuing validity with respect to their application to new projects. Section 16 of the Enabling Act clearly provides that the Zoning Commission shall adopt regulations governing the creation of housing in kind and may delegate such authority to the BRA. The Zoning Commission has not expressly delegated such authority. However, Articles 26 and 26A, as validated by Section 19 of the Enabling Act, provide that the Housing Creation Exaction or Housing Creation Option requirements may be met in conformity with written regulations to be adopted by the BRA after public notice and hearing. Even if the regulations have therefore been validly adopted by the BRA pursuant to the provisions of Articles 26 and 26A (notwithstanding the provisions of Section 16 of the Enabling Act), certain provisions may not be enforceable because they differ from the provisions of Sections 15 through 20. However, the regulations have not been replaced or readopted and the BRA continues to apply them to those developments with respect to which the developers elect to satisfy the Housing Creation Option.

The standards for the so-called "DIP" (Development Impact Project) agreement between a developer and the BRA providing for the developer's Development Impact Project Contribution or Exaction and its Jobs Contribution Grant are not defined by the Linkage Articles or the BRA's regulations. The BRA's practice has been to provide that the developer may discharge its obligation to make the housing payment by paying a single lump-sum installment equal to the net present value of the total amount of the payments which would otherwise be made in the annual installments required by the Linkage Articles. Notwithstanding the provisions of Article 26A, such agreements may provide that the first payment is not due until the earlier of issuance of a final occupancy permit or expiration of twenty-four months following the granting of the initial building permit. The applicant must expressly acknowledge that the Inspectional Services Department will not issue an occupancy permit until satisfactory evidence of receipt of the first installment payment has been presented or a Housing Creation Agreement has been signed with the BRA. Notwithstanding the provisions of Sections 16 and 17 of the Enabling Act, the agreements generally provide for recalculation of ~~the~~ required linkage payment if there is any change in the definition of "gross floor area" in the Code or change in the formula set forth in Articles 26A and 26B.

In contrast to the earlier forms of agreement which appear to require that the developer make the linkage payments even if the project does not proceed, later forms of the agreement generally provide that if a building permit is not granted for any part of the project or if construction is abandoned after issuance of a permit but prior to commencement of substantial construction or if a building permit is revoked or lapses and is not renewed, then the applicant is relieved of responsibility for the linkage payment with respect to the portions of the project not constructed. The agreement also generally requires that the applicant execute a Boston Residents Construction Employment Plan in accordance with the requirements of Chapter 30 of the Ordinances of 1983 and a Memorandum of Understanding setting forth an Employment Opportunity Plan describing a good faith effort to provide that 50 percent of certain jobs will be made available to Boston residents. The applicant is also generally required to execute a First Source Agreement with the Mayor's Office of Job and Community Services to use the services of the Private Industry Council sponsored "Boston for Boston" placement office employment referral before making entry level positions generally available.

The BRA generally also requires that if a developer elects to make the linkage payment in installments, it must provide a letter of credit at the time of making the first required payment to secure payment of the remaining amounts. The amount of the letter must equal the remaining amount of the required linkage payments, although it may be reduced as payments are made. This substantially increases the developer's cost. Query whether requiring such a letter of credit is authorized under the Linkage Articles, and in particular, whether it is valid pursuant to Sections 16 and 17 of the Enabling Act which imposed a cap on the value of the housing and employment exactions. Typically, the agreement also provides for imposition of monetary penalties if payments are not timely made. The agreement may also provide for certain "voluntary contributions" to be made by the developer.

Generally, the agreement limits the applicant's liability to its interest in the project until the letter of credit is issued, at which point its liability is limited to the letter of credit, and the applicant shall have no personal liability with respect to the agreement. Exculpatory provisions for mortgagees are generally also included. The applicant agrees to notify the BRA of any sale or assignment and the purchaser is required to expressly assume the obligations of the agreement. If such notice is not given within fifteen days following the sale or assignment, the limitations on the developer's personal liability shall become ineffective.

The BRA's practice is also to require that notice of the agreement be recorded with the Suffolk County Registry of Deeds. However, the Registry's practice has been to refuse to record such notices, which may constitute a technical default under the agreement. An alternative method is to attempt to record a notice of



the Board of Appeal's decision granting the zoning relief and to provide in the decision and/or notice a reference to the agreement so that persons examining the records of the Registry will be put on record notice of the existence of the agreement.

Generally, the agreement provides that the BRA will informally advise and will actively cooperate with and publicly support the applicant's efforts to obtain necessary licenses, permits and approvals and will cooperate fully in any amendment processes which are required for the Project as a result of the design review process. Upon completion of the process, the agreement requires that the BRA will assist the applicant in obtaining a recordable certification that the housing or jobs payment requirements have been satisfied.

Generally the initial DIP agreement providing for the Development Impact Project Contribution will incorporate a mechanism for the developer to satisfy the provisions of such agreement by making the housing payment or by providing housing in kind, at its option. The BRA regulations described above governing the process pursuant to which the developer may satisfy the Housing Creation Option and the provisions of the initial DIP agreement will require that the developer submit a proposal to the Authority prior to the time the first housing payment is required. The regulations provide a number of examples of the manner in which a developer may satisfy the Housing Creation Option and set forth the procedure for satisfying the Option, including the requirement to submit a plan in compliance with the submission requirements set forth in the Development Review Procedures published by the Authority, and the review by the Neighborhood Housing Trust within forty-five days of the receipt of the proposal. Upon completion of such review or the expiration of such period and following public notice and hearing, the BRA will take final action on the proposal. If the proposal is approved, the BRA and the developer will enter into a Housing Creation Agreement in the form prescribed by the Authority containing such provisions as the BRA and the Neighborhood Housing Trust determine are appropriate to ensure completion of the project. The regulations authorize the BRA to issue to the developer a Certificate of Compliance upon satisfactory completion of performance of the developer's obligations under this Agreement.

Finally, Section 20 authorizes the city to establish the Neighborhood Housing Trust and Neighborhood Job Trust which are to administer the funds paid pursuant to Sections 16 through 19 (other than contributions for the creation of affordable housing provided in Section 16). The total amount of such payments with respect to each new development must be accepted by the City Council and approved by the mayor, which shall be deemed a final appropriation of the payments to the Trust. Section 20 validates any trust or fund previously established for similar purposes and any ordinance passed for purposes of authorizing the same and any

payments made by any developer to any of the foregoing, and provides that no such payments shall be subject to any trust or amendments thereafter established.

However, even if this new enabling legislation disposes of the issues discussed in the first *Bonan* decision, in future challenges the linkage ordinances may be subjected to review under the reasonableness test which is generally applied to all types of development exactions. *Nollan v. California Coastal Commission*, 107 S.Ct. 3141 (1987). To defend against such a challenge, the city would need to demonstrate that the need for housing or job training is created by the developments which must pay linkage fees. See, e.g., *Jordan v. Menomonee Falls*, 28 Wis.2d 608, 137 N.W.2d 442 (1966), *appeal dismissed*, 385 U.S. 4 (1966). Unless the city can provide studies of such a correlation, the linkage program may remain vulnerable despite the recent enactment of enabling legislation.

### ***Special Purpose and Overlay Districts***

Section 3-1A of the Code establishes numerous special purpose overlay districts. These districts are comprised of subdistricts or parts thereof or contiguous groups of subdistricts or parts thereof and include planned development area, urban renewal area, adult entertainment, restricted parking, limited parking, flood hazard, institutional, restricted roof structure, limited height, greenbelt protection, density limitation and interim planning overlay districts. The regulations for the particular overlay district and the regulations specified for the base subdistrict apply to these overlay districts. In the event that the two sets of regulations conflict, the overlay district regulations control.

Section 3-1B of the Code provides that a district or subdistrict or group thereof may be designated as a neighborhood district after a planning study has been conducted. Section 3-1C provides that a district or subdistrict or group thereof may be designated as a downtown district after such a planning study has been conducted. The Midtown Cultural District has been so designated pursuant to Article 38.

### **Planned Development Area**

A planned development area (PDA) may be established by the Commission for parcels containing at least one acre of land if the BRA has approved a development plan therefor. Alternatively, if the area contains not less than five acres and is not located in a residential district, the BRA may approve a master plan for the development of the area. Each such development or master plan may be approved by the BRA only upon a finding that it conforms to the general plan for the entire city. Such a general plan may be evidenced by precedence of development and extant zoning ordinances rather than a formal written plan. See *Manning v. Boston Redevelopment Authority*, 400 Mass. 444, 450-51, 509 N.E.2d 1173 (1987). Furthermore, the BRA must find that it will not be injurious to the neighborhood

# LINKAGE

## AFFORDABLE HOMES AND JOBS

### LINKAGE: BOSTON'S STORY

The Flynn administration is committed to ensuring that every neighborhood in the city benefits from the economic growth that the city is experiencing. To achieve this vision, the city has implemented linkage policies to direct the benefits of downtown growth to Boston's neighborhoods.

Linkage works by taking a portion of value created by investment in areas undergoing substantial development, and directing that value to build affordable housing, provide job training, and fund social services in Boston's neighborhoods. Boston's linkage policies represent a new social contract to build lasting bridges of economic opportunity between areas of the city experiencing rapid growth, and the people in Boston's neighborhoods who, historically, have not shared in the benefits of that growth.

Boston's linkage policies are based on the premise that there is not a division between the needs of the community and the process of economic expansion. Rather, commerce and economic expansion are prerequisites enabling the community to live up to values that are commonly shared by its members.

In December 1983, the city's affordable housing linkage policy was first implemented. Since that time, the city's linkage policies have been expanded. In February, 1986 Boston's linkage policy was revised. The linkage fee was increased from \$5.00/square foot to \$6.00/square foot in

order to include funds for job training. Five dollars is now targeted for housing and \$1.00 for job training. The payment period for housing linkage has been reduced from twelve years to seven years and job training linkage is due over a period of two years. The first linkage payment is due upon issuance of a building permit.

The housing linkage policy requires developers of large commercial projects either to build affordable housing or to contribute money to build such housing. The amount of the housing linkage obligation is calculated at \$5 for every square foot over 100,000 square feet, which for a typical 20-story office building, is worth roughly \$2,000,000. For a project built downtown, ten percent of the linkage obligation is targeted to the area adjacent to the project. For a project built outside of downtown, twenty percent of the linkage obligation is so targeted.

Jobs linkage requires a developer to contribute \$1 for every square foot of floor space built over 100,000 square feet. For a typical 20-story office building this contribution is worth roughly \$300,000 of which twenty percent is reserved for residents of the neighborhoods adjacent to the development. Instead of a cash contribution, the developer may choose to use its jobs linkage commitment to create and operate its own job training program for Boston residents who would

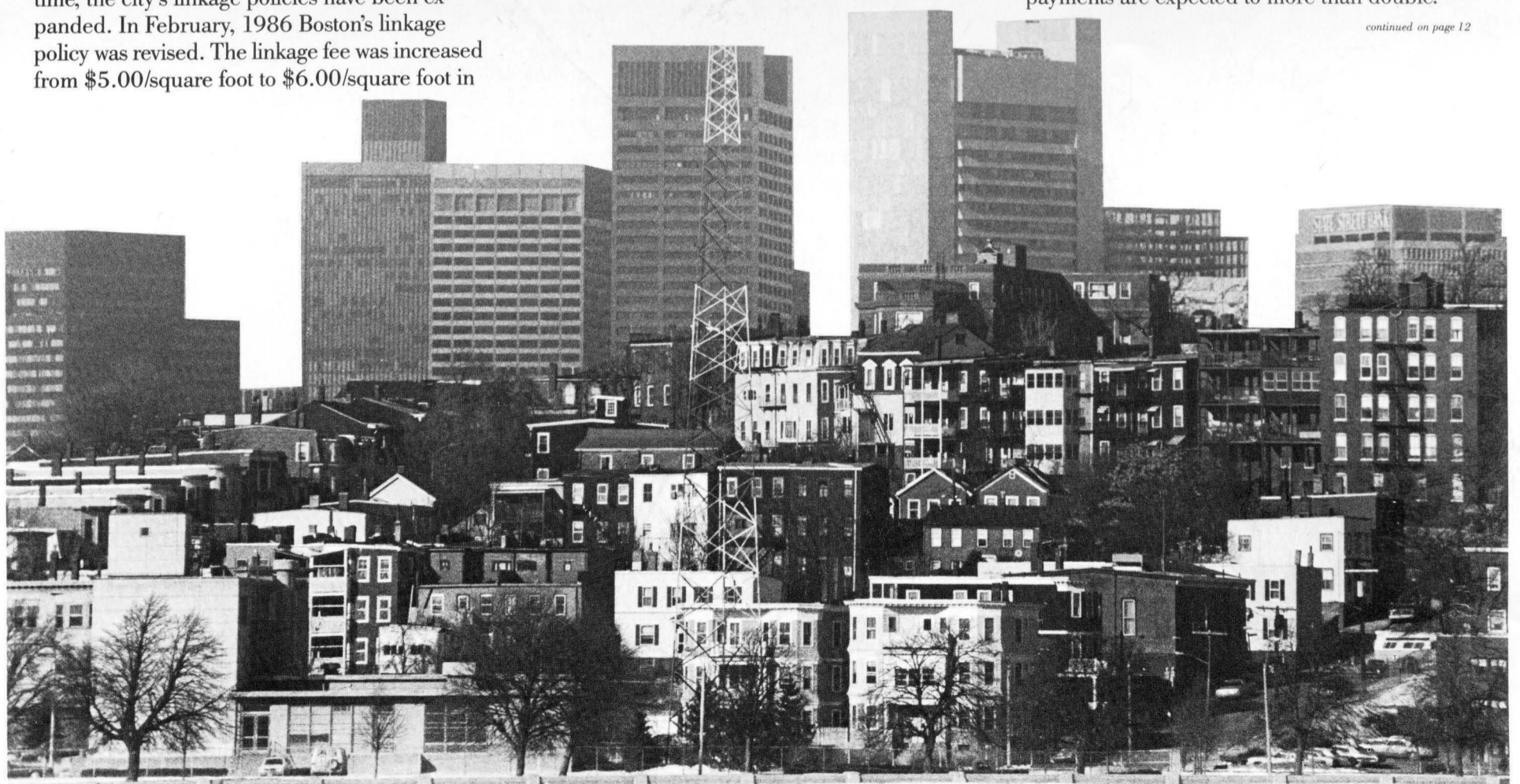
become permanently employed at the project.

When linkage was first proposed, many developers, and some city officials, were skeptical. Segments of the development community, in particular, predicted that linkage would create a "disincentive" for the development of office and other commercial buildings and would lead developers to invest elsewhere.

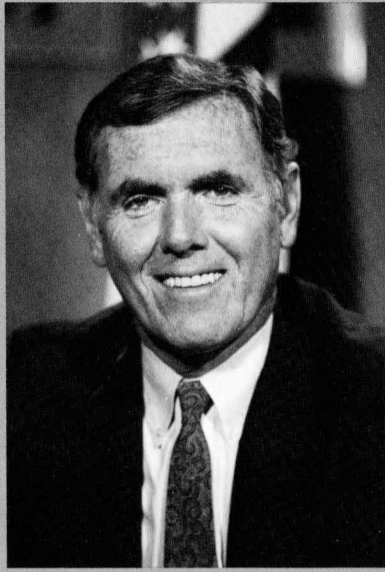
Despite the initial skepticism, Boston continues to be an extremely attractive city for office and commercial development. The current office vacancy rate for class A office space is 6.4%. Class A office space in the downtown area rents for approximately \$33.00 per square foot. The waiting list to invest in Boston continues to grow. Investors from New York, Chicago, Canada, Europe, Japan, and elsewhere are all looking for opportunities to participate in Boston's economic growth.

Boston's linkage program has already shown results. As of January 1988, 32 major development projects have committed to pay over \$45 million in housing linkage. Eighteen affordable housing projects in Boston's neighborhoods have already benefitted from linkage contributions. Over \$17 million in linkage payments have been contributed to these projects to create over 2,000 units of housing of which 80% will be affordable. Over the next five years linkage payments are expected to more than double.

*continued on page 12*







*I am proud to report that our vision of linkage in Boston has become a reality—providing decent jobs and affordable housing to Boston residents who need them most.*

*Linkage is a social contract between the city government, the development community, and residents. It provides opportunities and builds bridges between Boston's booming downtown commercial economy and the people in its neighborhoods. It shares the benefits of prosperity with those who have historically been left behind.*

*Through the linkage program, developers in Boston have committed over \$45 million in housing linkage, more than \$17 million of which has been allocated to build over 2,000 units of housing across the city. Approximately 80 percent of these units will be affordable to low and moderate income families.*

*Boston's job linkage policy has produced similar community benefits. Almost \$300,000 has been committed since 1986; another \$1.1 million will be generated this year.*

*In Boston, our diversity is our strength. We will continue working on innovative policies like linkage that sustain that diversity and assure our citizens that they will share in the city's economic prosperity. Linkage is part of our vision that economic growth and economic justice must go hand in hand.*

Raymond L. Flynn  
Mayor of Boston

## JOBS LINKAGE

Although Boston boasts a low unemployment rate (under 5%) many Boston residents, particularly its youth, lack the skills to take advantage of new job opportunities. The Flynn Administration is committed to giving Boston residents the opportunity to share in the benefits of the City's economic and jobs growth.

To provide funds for jobs training programs for low and moderate income people, Mayor Flynn approved Article 26B of the Boston Zoning Code. This ordinance, the first of its kind in the nation, requires developers of commercial buildings (which require zoning relief), to contribute \$1 per square foot for each square foot of floor area over 100,000 square feet. These funds are administered by the Neighborhood Jobs Trust with the City's collector-treasurer acting as managing trustee. Twenty percent of any jobs Contribution Grant will be targeted to the neighborhood that is impacted or adjacent to the project.

Developers may decide, instead, to use their Jobs Contribution Grant to create a job training program for workers who will be employed, on a permanent basis, at the project. The Mayor's Office of Jobs and Community Services retains approval over the distribution of funds and the creation of jobs training programs.

Since its inception in 1986, Jobs Linkage has generated commitments of nearly \$300,000 from six projects in the downtown area. In 1988 alone, it is expected that nine projects will be generating jobs linkage, for a single year total of \$1.1 million.

One of the first projects to be completed is International Place in downtown Boston. An on-site Jobs Academy is planned to prepare Boston residents for jobs in downtown office buildings. The Neighborhood Jobs Trust has approved the operating budget for the Academy and the Mayor's Office of Jobs and Community Service has approved the curriculum. The total contribution is approximately \$300,000 for the creation of this Jobs Academy in 1988. ■



### HOUSING LINKAGE CASH GRANTS

APPROVED BY NHT 12/30/87

SOURCE OF FUNDS	NOMINAL VALUE OF CONTRIBUTION	AFFORDABLE HOUSING DEVELOPMENT	TOTAL UNITS	AFFORDABLE UNITS	PERCENT AFFORDABLE
1987 Neighborhood Housing Trust Housing Linkage	\$370,000	Infill Housing	84	75	89%
Cash Receipts	\$79,000	Bricklayers/CNY Rowhouses	50	16	32%
	\$88,000	CEDC/Parcel C-2A1	32	13	41%
	\$220,000	Habitat Housing	11	11	100%
	\$200,000	Monsignor Lyons	11	11	100%
		Grove Hall	12	12	100%
<b>TOTALS</b>	<b>\$1,167,000</b>		<b>200</b>	<b>138</b>	<b>69%</b>

### HOUSING CREATION ROUND I

PROPOSALS APPROVED PRIOR TO 8/12/87

CONTRIBUTING DEVELOPMENT	NOMINAL VALUE OF CONTRIBUTION	AFFORDABLE HOUSING DEVELOPMENT(S)	TOTAL UNITS	AFFORDABLE UNITS	PERCENT AFFORDABLE
101 Arch Street	\$1,500,000	Harbor Point*	1,283	400	33%
150-160 Federal Street	\$3,565,000				
Ingall's Building	\$275,530	Fountain Hill Square	124	62	50%
Heritage on the Garden	\$445,000	O'Reilly School	32	32	100%
CNY Building 149	\$225,984	Casa Esperanza	25	25	100%
		CEDC/Parcel C2A1**	32	13	41%
125 Summer Street	\$250,000	180 Shawmut Avenue	40	27	68%
125 High Street	\$4,760,000	Granite Properties	938	938	100%
745 Atlantic Avenue	\$328,700	Back of the Hill	165	52	32%
Children's Hospital	\$930,000				
116 Huntington Avenue	\$763,465	Leighton Park (Tent City)	271	203	75%
<b>TOTALS</b>	<b>\$7,847,608</b>		<b>1,595</b>	<b>1,339</b>	<b>84%</b>

\* NOTE: The Harbor Point units and dollars are not counted in totals. Linkage funds were used as interim collateral and have been released for commitment elsewhere.

\*\*NOTE: Parcel C-2A1 units and dollars are not counted here to avoid double counting of units and dollars in the summary.

### HOUSING CREATION ROUND II

APPROVED BY NHT 1/12/88, BRA BOARD VOTE 1/28/88

CONTRIBUTING DEVELOPMENT	NOMINAL VALUE OF CONTRIBUTION	AFFORDABLE HOUSING DEVELOPMENT	TOTAL UNITS	AFFORDABLE UNITS	PERCENT AFFORDABLE
125 High Street	\$1,620,000	Brooks School	57	43	75%
101 Arch Street	\$1,500,000	Lithgow Block	31	16	52%
500 Boylston Street—West	\$2,975,425	Langham Court	84	56	67%
		Parmelee Court	77	51	66%
Rowes Wharf	\$1,944,932	Tenants Development Corp.	35	23	66%
CNY/Building 149	\$131,071	CEDC/Parcel C-2A1*	32	13	41%
<b>TOTALS</b>	<b>\$8,171,428</b>		<b>284</b>	<b>189</b>	<b>67%</b>

\*NOTE: Units for Parcel C-2A1 are not counted here to avoid double counting of units in the summary.

### LINKAGE SUMMARY—JANUARY 28, 1988

	Projects	Linkage \$'s	Total Units	Affordable Units	Percent Affordable
<b>TOTAL HOUSING LINKAGE COMMITTED BY DEVELOPERS</b>	<b>32</b>	<b>\$45,814,885</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
HOUSING CREATION ROUND I*	7	\$7,847,608	1595	1339	84%
HOUSING CREATION ROUND II*	5	\$8,171,428	284	189	67%
HOUSING LINKAGE CASH GRANTS	6	\$1,167,000	200	138	69%
<b>TOTAL LINKAGE EXPENDED</b>	<b>18</b>	<b>\$17,186,036</b>	<b>2079</b>	<b>1666</b>	<b>80%</b>
<b>PERCENT OF TOTAL LINKAGE EXPENDED TO DATE</b>		<b>38%</b>			

\* NOTE: Charlestown EDC received both housing creation and linkage cash grant funds for the development of Parcel C-2A1, but the project and its units are counted only once.



## HOUSING CREATION THROUGH LINKAGE

Housing conditions in Boston are in a state of conflict. Boston's housing market is currently among the "hottest" in the nation. Consequently it suffers from a severe shortage of affordable housing. Boston's population growth intensifies pressures on the City's housing market and in turn fuels increases in both residential rents and sales prices.

One way in which Boston addressed its immediate need for affordable housing was through the creation of a zoning ordinance that links new development directly to the creation of affordable housing. In December of 1983, the Boston Zoning Commission adopted Article 26 of the zoning code which requires that developers of commercial projects larger than 100,000 square feet make payments into a fund to create affordable housing. Article 26A of the Boston Zoning Code, an amendment to Article 26, became effective in Boston on February 27, 1986. It requires developers to pay linkage earlier than under Article 26, thereby doubling the net present value of their contributions. A developer may comply with the linkage requirement by making a Housing Payment Contribution to the Neighborhood Housing Trust or by choosing the Housing Creation Option.

If a developer chooses to make a Housing Payment Contribution, to be administered by the Neighborhood Housing Trust, 10% of the contribution made by projects constructed within the downtown area and 20% of the contribution made by projects constructed outside the downtown area will be targeted to the neighborhood adjacent to the project. The Housing Creation Option, regulated by the Boston Redevelopment Authority and reviewed by the Neighborhood Housing Trust, permits the dedication of linkage funds by a developer to a specific housing development.

Boston's linkage program has committed over \$17 million in funds to help provide over 2,000 units of housing. Over 80% of the units will be affordable. With over \$45 million committed to housing linkage, Boston can continue to provide home ownership opportunities and decent affordable housing for its residents. ■

### DIP PROJECTS: HOUSING LINKAGE SUMMARY

CONTRIBUTING PROJECT	TOTAL HOUSING PAYMENT
75 STATE STREET	\$3,075,000
ROWES WHARF	\$2,121,745
INTERNATIONAL PLACE-I	\$5,066,515
150-160 FEDERAL STREET	\$3,469,510
75-101 FEDERAL STREET	\$2,325,000
99 SUMMER STREET	\$800,000
HERITAGE ON THE GARDEN	\$445,000
500 BOYLSTON STREET-I	\$3,100,000
20 CUSTOM HOUSE STREET	\$220,055
745 ATLANTIC AVENUE	\$328,700
101 MERRIMAC STREET	\$329,175
101 ARCH STREET	\$1,500,000
INGALLS BUILDING	\$275,530
360 NEWBURY STREET	\$73,860
125 SUMMER STREET	\$1,742,225
733-751 BOYLSTON	\$60,000
73 TREMONT STREET	\$980,000
125 HIGH STREET	\$6,376,925
CHILDREN'S HOSPITAL	\$930,000
BRIGHAM AND WOMEN'S	\$22,255
BOSTON COLLEGE	\$322,270
HARVARD MED SCHOOL	\$72,500
BOSTON UNIVERSITY	\$152,460
CNY #33, 34, 38, 39	\$658,120
SCHRAFFT'S	\$2,442,440
280 SUMMER STREET	\$138,250
CNY #149	\$2,711,805
MASS GENERAL HOSPITAL	\$3,674,140
15 NEW CHARDON STREET	\$206,020
DEACONESS HOSPITAL	\$768,500
PORTLAND PLACE	\$663,420
116 HUNTINGTON AVENUE	\$763,465
<b>GRAND TOTAL</b>	<b>\$45,814,885</b>

## BOSTON'S NEIGHBORHOOD HOUSING TRUST

In order to effectively and equitably administer the funds received from the linkage program, the city provided for the establishment of a Neighborhood Housing Trust. The form of the Trust was determined in discussions between the Mayor's Office and the Boston City Council. It was agreed upon that seven trustees: the City Council President, the City's Collector-Treasurer, as ex-officio trustees, and five mayoral appointees would administer Boston's new linkage program.

The Trustees have adopted a set of rules and regulations governing its operations and the distribution of funds. The regulations authorize the Trust to issue requests for proposals and award funds to applicants whose proposals meet competitive criteria set forth in the regulations and the RFPs.

At the end of 1987, the Neighborhood Housing Trust had received approximately \$1.24 million in linkage funds. At its meeting of December 30, 1987, the Trust awarded \$1.17 million in cash grants and loans to six applicants

### NEIGHBORHOOD HOUSING TRUST MEMBERS

Lawrence Dwyer, *Chairman*  
The Honorable Christopher Iannella,  
*City Council President*  
George Russell, *Collector-Treasurer*

- The Infill Housing project, on 17 scattered sites throughout Roxbury and Dorchester, received \$370,000 that will provide 84 (75 affordable) housing units;
- The Bricklayers Parcel 4A development in the Charlestown Navy Yard received \$210,000 towards the development of 50 (16 affordable) units;
- The Charlestown Economic Development Corporation on Parcel C-21 in Charlestown received \$79,000 for the construction of 32 (13 affordable) units;
- Habitat Housing in Dorchester received \$88,000 for 11 (100% affordable) units;
- The Monsignor Lyons development in South Boston received \$220,000 for 11 (100% affordable) units;
- Grove Hall development in Dorchester received \$200,000 for the development of 12 (100% affordable) units.

These funds will provide for the creation of 200 units of housing (69% affordable) throughout Boston's neighborhoods. ■



*In 1986 Mayor Flynn and the Boston City Council established the City's Neighborhood Housing Trust. The Trust's primary responsibility is to oversee the distribution of Boston Linkage resources.*

*Linkage funds, payments from developers of large commercial buildings, are used to develop affordable housing throughout Boston neighborhoods. The distribution of these resources may take place through two distinct mechanisms. Direct grants or loans may be issued by the Trust to developers of affordable housing in response to proposals submitted to the Trust. Additionally, the Trust and the Boston Redevelopment Authority may approve Housing Creation Proposals. In this case the Trust and B.R.A. respond to proposals from contributing developers which target linkage resources to a particular affordable housing proposal.*

*During the past year, the Trust has supported projects which have produced over 2000 units of housing, of which over 80% are affordable. Trust resources allocated to these projects are used exclusively to support these affordable units which would otherwise not be possible.*

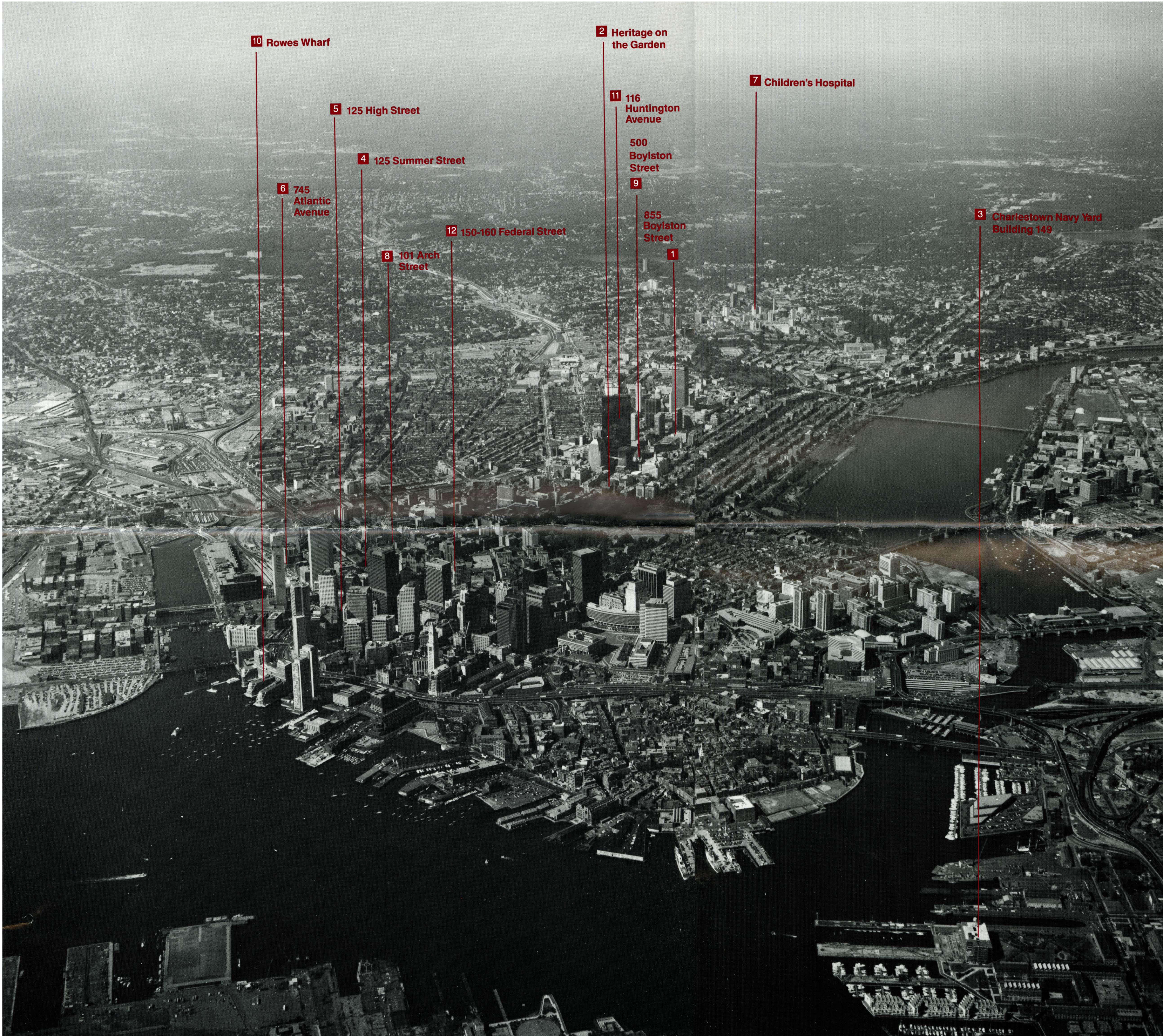
*Working in conjunction with the City's key agencies, the Boston Redevelopment Authority, Public Facilities Department and Boston Housing Authority, the Trust has assisted in creating a comprehensive package of proposals for the Massachusetts Housing and Finance Agency which will assist neighborhood Community Development Corporations and other local groups in developing more affordable housing in Boston.*

*This year's achievements are the first critical steps taken in making Boston's Linkage program an effective and useful tool.*

*Linkage has become a real mechanism which helps to bring the benefits of Downtown development to our neighborhoods and our neighbors.*

*Lawrence Dwyer, Chairman  
Neighborhood Housing Trust*





## LINKAGE—A NEW SOCIAL CONTRACT

In the 1960's Boston began to emerge from a long period of economic decline. The revitalization was set off by the city's announcement of a \$90 million urban renewal program and an upswing in regional economic trends. For the past decade, Boston's real estate market and local economy have experienced unprecedented growth. Maintaining a healthy economy that is attractive to investors, yet also responsive to quality of life issues of Boston residents, is a critical planning goal. Boston's linkage policy, first adopted by the city in December of 1983, seeks to accomplish this goal.

Boston has one of the strongest local economies in the nation. Since 1975, private development investment has added 17 million square feet of new office space, and over 82,000 new office jobs to Boston. This is three times the amount of space built in the previous 35 years. Boston's downtown Class A office vacancy rate, at 6.4%, is one of the lowest in the country. Another 7 million square feet of office space is scheduled for completion through 1990 and projections indicate that Boston will continue to have a strong economy, with a particularly strong downtown office market through the 1990's.

Boston's economic growth has helped to reverse a three decade population decline. Between 1950 and 1980, Boston lost approximately one-third of its population, dropping from 801,444 to 562,994. Since 1980, however, population has grown by almost 10%.

Like many of America's cities, Boston has historically been a "Tale of Two Cities"—its downtown booming, while outlying neighborhoods suffered from poverty, abandonment and neglect. A persistent shortage of affordable housing for Boston residents forced many households to live in unsafe, unsanitary or overcrowded conditions, or to pay more than they could reasonably afford for housing.

Studies indicate that many Boston residents have not shared in the benefits of the city's economic and jobs growth. Many Boston residents, particularly young, lack the skills to take advantage of new job opportunities being created in the downtown service economy; and instead end up in relatively low-paying-jobs in offices, health care, hotels and related sectors.

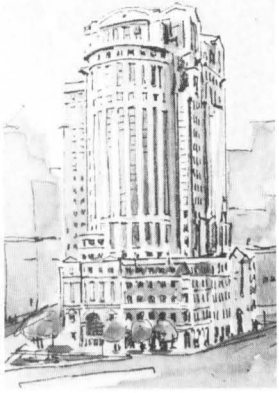
Despite Boston's booming economy, the city is severely limited in its ability to raise revenue. Over 51% of Boston property is tax exempt, compared to only 35% twenty years ago. This increase in tax exempt property is due to the expansion of government institutions (Boston is the State Capital as well as the regional center for federal agencies); hospitals, universities, colleges, and cultural institutions. In 1984, total property in the City was valued at \$23.6 billion, yet \$12.1 billion was exempt from taxation.

A further restraint on the city's revenues is Proposition 2½, a state-wide law enacted in 1979 that restricts the overall property tax levy. Boston is severely effected because it relies so heavily on local property taxes to finance municipal services. The city cannot enact major local option taxes (for example, sales and income taxes) without state approval. Between 1981 and 1984, Boston lost one-third of its property tax revenue—a drop from \$519,000 to \$334,000. State revenue sharing has not filled the gap.

Finally, federal urban policy cutbacks since 1981 have had a severe impact on the City of Boston. In particular, cutbacks for low-income housing and job training have made it increasingly difficult for Boston residents to lift themselves out of poverty, and enjoy the benefits of Boston's economic recovery.

The confluence of these factors led to the enactment of Boston's linkage policy in December of 1983.





**4 125 Summer Street**

Scheduled for completion in Fall of 1989, 125 Summer Street will be a 23-story, 490,000 square-foot office tower of granite and glass built behind the facades of existing low-rise buildings. The new development will transform what is now a boarded-up block at the visual terminus of High Street, Summer Street and the South Station area into an exceptional office and retail development.

Developers, who worked closely with the BRA and the adjacent Chinatown community through the Chinese Consolidated Benevolent Association, will use \$1.35 million in linkage payments to build housing in Chinatown.

An estimated 800 construction jobs will be created, and the 125 Summer Street development will eventually house 1,800 permanent employees.

The building's design responds to its surroundings, connecting the downtown commercial area with South Station. At street level, there are three entrance points into the building with a gallery providing entrance to the retail portion of the building. The top of the building includes four corner towers connected by vaulted spaces.

**Location:** The intersection of Summer and Lincoln Streets and the Surface Artery

**Developer:** Perry/Jaymont Ventures

**Architect:** Kohn, Pederson, Fox

**Program:** 490,000 gross square feet  
27,445 ground floor retail space  
300 below grade parking spaces

**Linkage:** \$1.35 million in housing  
\$348,000 in jobs

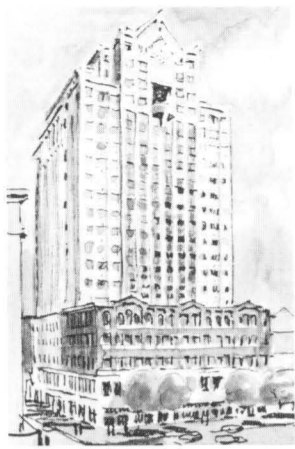
**8 101 Arch Street**

The new 101 Arch Street, which incorporates the original 1873 brick facade of the old Kennedy Department Store building downtown, represents a compromise between the developers, the Boston Landmarks Commission and Boston Redevelopment Authority.

The new building is a combined office and retail development which incorporates a historic brick facade into a granite-clad modern structure adorned by a copper roof and two illuminated clocks in gabled ends. The new building ties into the MBTA Downtown Crossing concourse and has a restaurant on the second floor.

Expected to open in the spring of 1988, 101 Arch Street is estimated to cost \$80 million. The project is responsible for the creation of 800 construction jobs and will provide 1,800 permanent jobs when it is completed.

101 Arch Street's linkage funds were used first to back a public bond issue for Columbia Point and are now being dedicated to the construction of new affordable housing as part of a major neighborhood revitalization effort.



**Location:** Downtown Crossing

**Developer:** Lincoln Property Co. and Metropolitan Life

**Architect:** Hoskins Scott Taylor—Design; Harwood K. Smith—Production; Roger Lange—Preservation Consultant

**Program:** 432,000 gross square feet

47,000 square feet retail  
45 parking spaces

**Linkage:** \$1.5 million for housing

**1 855 Boylston Street**

This 11 story red brick building is complemented by the granite base on which it stands. The impressive streetscape improvements for this site were done in accordance with the Boylston Street Citizen's Review Committee Streetscape Plan.

Construction of 855 Boylston Street was completed in 1986 at an estimated cost of \$30 million. In addition to creating 80 construction jobs and space to house 560 permanent employees, the developer of this project has also volunteered a \$50,000 contribution towards the redesign and reconstruction of Copley Square.

Its housing creation proposal, the first to be approved by the new linkage program, will help minority developer Richard Taylor produce affordable housing in Roxbury.

**Location:** 855 Boylston Street between Fairfield and Gloucester Streets in the Back Bay

**Developer:** Leggat McCall Properties, Inc.

**Architect:** The Architects Collaborative

**Program:** 135,885 gross square feet of office space  
6,950 square feet of ground floor retail space

27 below grade parking spaces

**Linkage:** \$275,000 for housing



**7 Children's Hospital Inpatient Facility**

The Children's Hospital has developed a new replacement bed facility on Longwood Avenue in the Longwood Medical area. The facility, designed by Shepley Bulfinch Richardson & Abbott, measures 286,000 gross square feet and will house 272 beds with contemporary support space, emergency, radiology, and operating suites. The development was completed in December, 1987 at a cost of roughly \$60 million. The Inpatient Building is a steel structure with pink and white precast panels and red granite bands. A "light fountain" at the entry illuminates the curved entry to this building and serves to connect visually the base and the tower.

The Children's Hospital Replacement bed facility generated 540 construction jobs, and when finally occupied, will house up to 1,000 permanent employees. Its linkage contribution to the Bricklayer's Mission Hill Row Houses project will result in affordable housing in the neighborhood most affected by this development.

**Location:** Longwood Avenue, Longwood Medical Area

**Developer:** Children's Hospital

**Architect:** Shepley Bulfinch Richardson & Abbott

**Program:** 286,000 gross square feet

**Linkage:** \$930,000 for housing



**6 745 Atlantic Avenue**

The construction of 745 Atlantic Avenue extends Boston's Downtown core into the historic leather district. The project is expected to be completed in the fall of 1988 at an approximate cost of \$25 million. The building's brick and granite facade, detailing, overall massing, and recessed windows produce a building typical of the 19th century buildings in the area. Public space improvements associated with the project include brick sidewalks and street trees along Atlantic Avenue, Beach Street, and South Street.

Public benefits from 745 Atlantic Avenue include

the creation of 263 construction jobs and space for 600 permanent jobs. By joining Children's Hospital, Trammel Crow helped cause the creation of affordable housing in the Bricklayer's Mission Hill Row Houses development.

**Location:** Historic Leather District

**Developer:** Trammel Crow  
**Architect:** Stubbins Associates

**Program:** 160,947 square feet of office space  
17,152 square feet of retail space

153 parking spaces

**Linkage:** \$329,000 for housing  
\$66,000 for jobs

**11 116 Huntington Avenue**

This project is a 14-story office building to be developed on a site which has been vacant for 20 years. For over a year and a half, the city brokered negotiations over the building's height and design between the developer—and a group of neighborhood residents organized as the St. Botolph Street Citizen's Committee. Originally, the developer proposed a 31-story, 351-foot-high condo tower for the site.

The new design for the scaled-down project includes a limestone colored facade which blends with neighboring buildings along Huntington Avenue, as well as a richly decorated pedestrian arcade at the street level, providing entrances to the main lobby and to retail shops on either side.

The project is an outgrowth of an agreement made last year between the developer and the Boston Redevelopment Authority, which enabled the long-delayed Tent City mixed-income housing project in the South End to go forward.

The developer was granted a small, but crucial BRA-owned section of the Huntington Avenue parcel after it agreed to hand over the Tent City site for \$1 and build a \$15 million, 698-car garage beneath the housing complex.

Other public benefits of this project include the generation of between 350 and 400 construction jobs and space for between 1,000 and 1,200 employees.

**Location:** Huntington Avenue between Garrison and Harcourt Streets

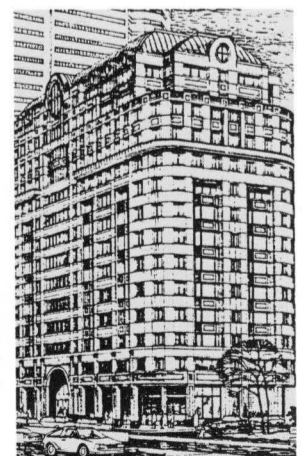
**Developer:** Urban Investment and Development Company

**Architect:** Childs, Bertman, Tseckares & Company

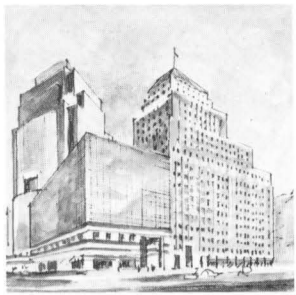
**Program:** 239,000 gross square feet of office space  
6,000 square feet of retail space

60 parking spaces

**Linkage:** \$763,465 for housing  
\$152,700 for jobs







## 12 150-160 Federal Street

The new visual terminus of New Congress Street is provided by the restoration of the United Shoe Machinery building at 160 Federal Street. The construction of a new building at 150 Federal Street and the restoration of 160 Federal Street were completed in 1987. The Older Art Deco storefronts retain the historic aspect of the street's character and have been refurbished to improve an already attractive sidewalk shop area. In addition, this project generated 3,350 construction related jobs and 3,660 permanent jobs.

Federal Development's linkage obligation has been used as collateral against which Massachusetts Housing Finance Agency bonds were issued to fund the construction loan for the Harbor Point redevelopment.

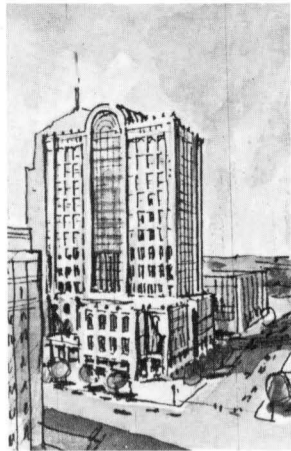
**Location:** Financial District

**Developer:** Federal Development, Inc.

**Architect:** 150 Federal—Jung/Brannen  
160 Federal—Stubbins Associates

**Program:** 356,000 gross square feet renovated commercial  
20,000 gross square feet renovated retail  
519,000 gross square feet new commercial  
10,000 gross square feet new retail  
400 below grade parking spaces

**Linkage:** \$3.5 million for housing



## 9 500 Boylston Street (Phase 1)

This mixed-use development will combine office and retail space. The granite is a warm, light color to complement the colors in the Trinity Church. A public courtyard opening onto Boylston Street will be lined with retail shops. Other public benefits include a \$500,000 contribution for the redesign and reconstruction of Copley Square.

500 Boylston's housing creation proposal will help close financing gaps in two important housing developments totalling 161 dwelling units in Boston's South End.

Construction will be complete in the spring of 1988 at an estimated cost of \$150 million. Approximately 1,580 construction jobs are being generated by this project, which will house 2,800 permanent employees when complete.

**Location:** Boylston Street site bounded by Boylston, Berkeley and Clarendon Streets and St. James Avenue in the Back Bay

**Developer:** The New England, Gerald D. Hines Interests and the Dutch Institutional Holding Company

**Architect:** John Burgee Architects with Philip Johnson

**Program:** 625,000 square feet of office space  
70,000 square feet of retail space  
600 parking spaces

**Linkage:** \$2.9 million for housing



## 5 125 High Street

The new 125 High Street includes two office buildings, of 30 and 21 stories, plus the renovation of three 19th century buildings on a 2.5 acre site at the corner of Oliver and Purchase Streets in Boston's financial district.

This \$200 million, block-long redevelopment project was approved by the BRA after an atypical public hearing, in which no community opposition was voiced. Observers attribute this unusual unanimity over the project to the developer's willingness to talk and listen to many people over a two-year community process before embarking on their final plans.

Besides restoring three 19th century buildings on the site, developers agreed to open an Alexander Graham Bell museum (which among other things, can serve as a field trip

site for Boston school children); agreed to build a modern fire station on the site including a two-bay ambulance facility, which is the first in the downtown financial district; and has contributed a mobile Job Start, which will visit all of Boston's 17 neighborhoods.

Developers are also expected to contribute \$7.5 million in linkage payments for affordable housing, as well as \$5.6 million annually in real estate taxes.

**Location:** Financial District bounded by High, Oliver, Purchase and Pearl Streets

**Developer:** The Prospect Company; New England Telephone; Spaulding & Slye

**Architect:** Jung/Brannen  
**Program:** 1.4 million square feet of office space  
29,000 gross square feet of retail space  
850 parking spaces

New fire station and ambulance facilities  
**Linkage:** \$6.4 million for housing  
\$1.1 million for jobs



## 2 The Heritage on the Garden

The Heritage on the Garden, a 12-story mixed-use development overlooking the Public Garden, is part of the city's still unfinished Park Plaza urban renewal project for the old Park Square area.

The building, which is scheduled for completion in mid-1988, includes 87 luxury condominiums, first-class office space, and upscale restaurant and retail space as well as underground parking, a swimming pool and a health club.

The Heritage on the Garden, which is being constructed in red brick and limestone with bays and belvederes to complement surrounding historic structures and the Public Garden, is generating 975 construction jobs. Upon completion, the project will provide 561 permanent positions.

The developers have committed \$550,000 to the Boston Housing Partnership, a linkage contribution of \$450,000, an annual

contribution of \$75,000 to the upkeep of the Public Garden, illumination of the steeple of the Arlington Street Church and revitalization of the Park Plaza area. The revitalization will feature a Parisian-style cafe, traditional wooden benches, a flower garden, and a circular fountain. The Heritage on the Garden's linkage payments have been earmarked for the redevelopment of the O'Reilly School in South Boston, a 32 unit elderly project sponsored by a non-profit affiliate of the National Association of Government Employees.

**Location:** Boylston Street at the corner of Arlington Street, across from the Public Garden

**Developer:** The Druker Company  
**Architect:** The Architects Collaborative

**Program:** 87 Luxury Condominiums  
50,000 square feet of retail and restaurant space  
122,000 square feet of office space  
178 parking spaces

**Linkage:** \$450,000 for housing

## 10 Rowes Wharf

Rowes Wharf is a nationally acclaimed development on Boston Harbor, which skillfully integrates Boston's historic maritime past with the exigencies of the present. Built in the Financial District, on the site of two 17th Century wharves, the project exemplifies the city's efforts to reclaim the waterfront for public use while sponsoring high quality new development in harmony with Boston's architectural heritage.

Designed of red brick and granite, with a grand archway linking the street and waterfront, the development is capped with a copper-domed public observatory.

Public benefits include complete public access to the water's edge, a water shuttle to Logan Airport which makes the harbor crossing in seven minutes, a ferry terminal for commuter ferries to the South Shore and the first public dinghy dock in Boston Harbor.

Construction of the entire project cost an estimated \$193 million. Rowes Wharf generated between 600 and 800 construction jobs per year of construction and will provide 1500 jobs when fully occupied.

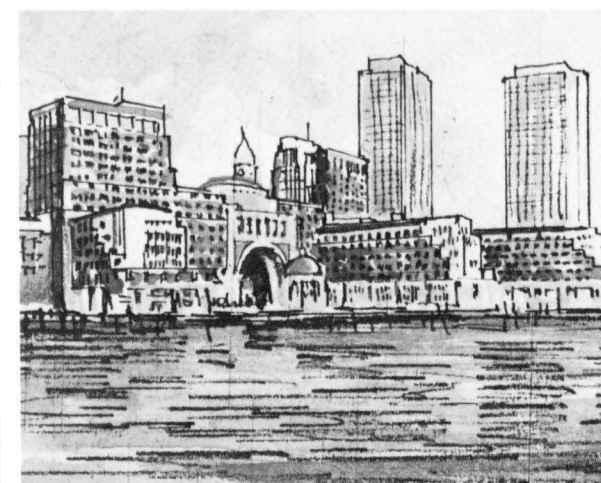
Developers of the project will contribute approximately \$1.9 million in housing linkage funds to the so-called Tenants Development Corporation Projects III and IV, helping to produce 94 units of housing, 2/3 of which will be affordable.

**Location:** Boston Harbor on Atlantic Avenue

**Developer:** The Beacon Companies, Equitable Real Estate  
**Architect:** Skidmore, Owings & Merrill of Chicago

**Program:** 330,000 square feet of office space  
230 room hotel  
100 luxury condominiums  
ground floor retail space  
700 below grade parking spaces

**Linkage:** \$1.9 million for housing



## 3 Building 149 at the Navy Yard

Building 149 at the Navy Yard is owned by the Boston Redevelopment Authority and leased to the Raymond Group, principal developer of the Charlestown Navy Yard.

This former U.S. Navy supply warehouse (built in 1920) has been transformed into the centerpiece of the Navy Yard's mixed-use office/research sector. The impressive brick and granite structure, with its strong industrial character, also contains two striking central atriums. Building 149 is connected by enclosed glass walkways to Building 199, which contains 1,386 parking spaces.

Building 149 was completed in September 1986, at a total development cost of \$48 million. Approximately 400 construction jobs were generated by the renovation of this project, which now houses 2,000 permanent employees.

The Raymond Group's first linkage payment of \$225,000 helped to fund the cash grants awarded by the Neighborhood Housing Trust. Its second payment was made in the form of housing creation contributions to two non-profit housing developers producing a total of 82 dwelling units in Charlestown and Roxbury.

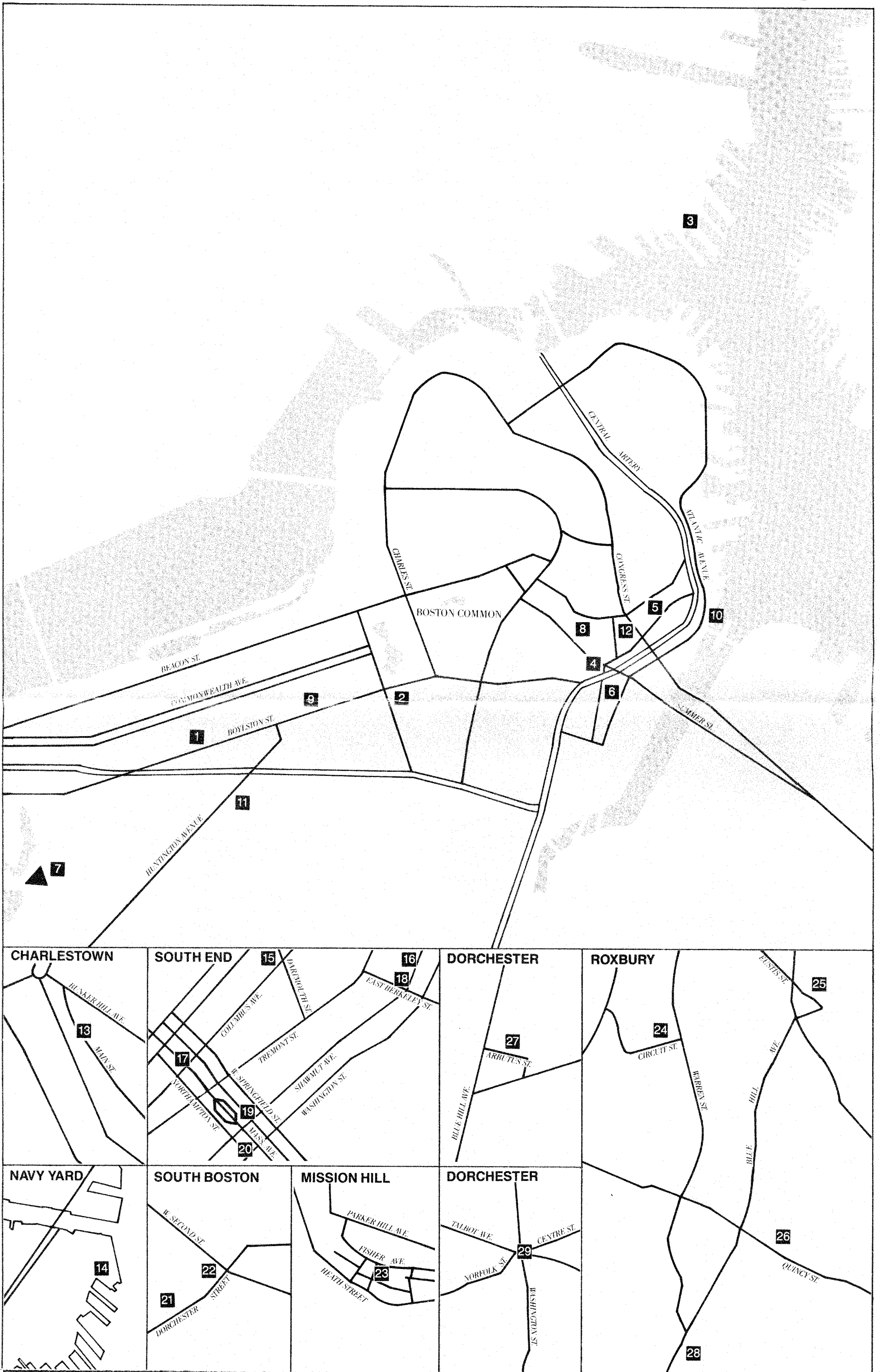
**Location:** Charlestown Navy Yard

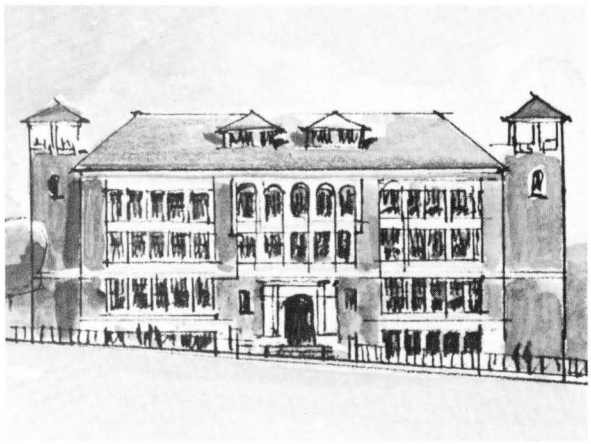
**Developer:** The Raymond Group

**Architect:** Huygens, Dimella and Shaffer  
**Program:** 610,000 gross square feet of office space  
40,000 gross square feet of retail space

**Linkage:** \$2.7 million for housing





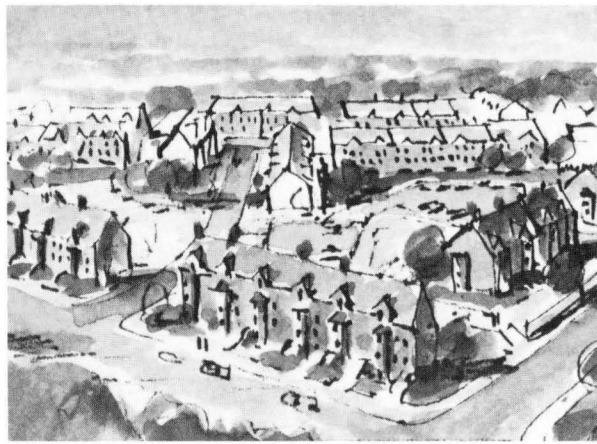


**26 The Brooks School**

This is the first Public Facilities Department disposition of a city-owned property through the Roxbury Neighborhood Council. This limited-equity coop project will be constructed at the historic former Phillip Brooks School in Roxbury and on 21,670 square feet of adjoining land. Forty-four of the units (77%) will be available to low-and moderate income families. The Brooks School represents the first major development in this neighborhood in many years, and the first new cooperative units created in Roxbury.

The total development costs are estimated at \$8.6 million. One Twenty-Five High Street Limited Partnership has pledged \$1.6 million in linkage funds to this project for the purpose of subsidizing the low and moderate income units. Construction is slated to begin in the Fall of 1988, with occupancy projected for Spring of 1990.

**Location:** Roxbury  
**Developer:** Minority Development and Education Association  
**Architect:** Quincy-Geneva CDC  
**Program:** 57 units/77% affordable



**24 Fountain Hill Square**

Richard Taylor is a Rhodes Scholar and president of the Minority Developers Association. He is also the developer of Fountain Hill Square. The complete project will consist of 44 two-bedroom condos, 44 three-bedroom condos, and 18 two-family townhouses. The buildings are three and a half story red brick townhouses with dormered pitched roofs. The \$275,930 in linkage funds generated by 855 Boylston Street Associates/Ingalls Building will be assigned to Taylor Properties for the subsidy of 16 affordable units in Phase I of the project.

The total development cost for Fountain Hill Square is \$11 million. Phase I will consist of 40 units with a Total Development Cost of approximately \$4 million, and is projected to be ready for marketing by the Fall of 1988.

**Location:** At Fountain and Circuit Streets, Roxbury  
**Developer:** Taylor Properties, Inc.  
**Architect:** Chisolm Washington, Inc.  
**Program:** A total of 124 units in 62 buildings, including 44 two-bedroom condos; 44 three-bedroom condos; 18 two family townhouses; and 112 at grade parking spaces/50% affordable

**17 Dawson-Langley Apartments (TDC III) & East Berkeley Street Condominiums (TDC IV)**



TDC III: The rehabilitation of old buildings is one of Boston's most valuable housing resources. TDC III is currently rehabilitating three vacant townhouses into 14 apartments and constructing a new 45 unit apartment building. 39 units will be affordable to low-income and moderate-income families.

The total development cost is \$6 million and subsidies have been obtained from MHFA, SHARP, and the City's BUILD program. The Housing Trust also voted up to \$40,000 in linkage funds for the first year's moderate income subsidy. Completion of the rehab/new units is scheduled for Spring and Fall of 1988.

TDC IV: The South End Neighborhood Housing Initiative (SENHI) is an innovative community-designed housing initiative. The first SENHI project is TDC IV, the rehabilitation of a badly deteriorated block of brick buildings into a mixed income condominium development. 23 units will

be available for low and moderate income families. The total development cost is \$4,325,425. Approximately \$1.86 million in linkage funds from Rowes Wharf have been committed to this development. Construction will start in early Fall 1988, with completion projected for Spring 1989.

**Location:** Massachusetts Avenue, South End, and 69-81 East Berkeley Street/Shawmut Ave.  
**Developer:** Tenant's Development Corporation  
**Architect:** Stull and Lee, Inc.  
**Program:** 59 housing units/65% affordable 35 housing units/66% affordable

**22 Monsignor Joseph W. Lyons Housing Development**

The Archdiocese of Boston is playing a part in providing affordable housing for Boston residents. Together with local residents, it has undertaken a project to build ten units of two and three bedroom moderate-income housing with 10 off-street parking spaces in South Boston. The 7,493 sq. ft. of land was sold to the local developers by the Public Facilities Department for \$1.00.

The total development costs are estimated at \$953,601. and the Neighborhood Housing Trust voted linkage funding of \$220,000 for the development to ensure affordability.

Construction will start in Spring, 1988, and occupancy is projected for Fall, 1989.

**Location:** Boston and West Second Streets, South Boston  
**Developer:** South Boston Community Housing, Inc.  
**Architect:** Office of the Archdiocese of Boston  
**Program:** 10 housing units/100% affordable



**28 483-487 Blue Hill Avenue (Grove Hall)**

Neighborhood revitalization is key in the city's vision for Boston. This project will provide housing units targeted for low-income households eligible for rental assistance under the state's Chapter 707 subsidy program.

The project is part of the Commonwealth's Public Facilities Department's attempt to revitalize the Grove Hall commercial district and is expected to stimulate additional private investment in the area.

Total development costs are estimated at \$886,938. The city sold the property to the non-profit developer for \$1. The Neighborhood Housing Trust awarded \$200,000 in linkage funds for the development. Construction is scheduled to begin in March, 1988, with completion projected for Spring, 1989.

**Location:** 483-487 Blue Hill Avenue, Roxbury  
**Developer:** Grove Hall Neighborhood Development Corp.  
**Architect:** Harris & Davis, Inc.  
**Program:** 12 one-bedroom rental apartments for low-income families/100% affordable,



**Harborpoint**

The challenge was formidable—the response, a triumph. Harborpoint represents the transformation of a dilapidated public housing project into a private mixed-income community. The 50 acre site will feature many amenities including a 6.5 acre waterfront park.

The total development cost is \$200 million. In order to create a mixture of affordable and market units, financing is being provided by a complex package of public and private loans including an MHFA coinsured loan, an MHFA supplemental "bridge" loan, a \$10 million Urban Initiatives grant, State Chapter 884 funds, a \$12 million UDAG, investor equity and Federal and State rental subsidy for 400 low income rental units.

101 Arch Street/Legatt, McCall and Warner Development, and 150-160

Federal St./Federal Development Inc. joined forces to pledge their combined \$5 million in linkage funds as collateral against which State Housing Finance bonds were issued pending sale of the private syndication for the development. Upon closing of the syndication, the collateral was released, so that these linkage funds could be used to assist other housing developments.

Construction completion is projected for Spring, 1990.

**Location:** Columbia Point, Dorchester  
**Developer:** Columbia Point Community Task Force as the Tenant Organization and Peninsula Partners as the Private Developer  
**Architect:** Goody, Clancy and Associates  
**Program:** 1,283 residential units, including 400 affordable for low-income families



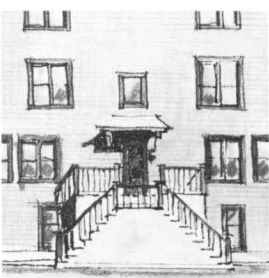
**15 Leighton Park (Tent City)**

The Leighton Park/Tent City project is the realization of a 20-year community-led effort to build affordable housing on a 3.3 acre block. The Tent City Corporation, a non-profit development sponsor, is guided by a Board of Directors of whom many were participants in the original demonstrations which dramatized the need for affordable housing on the site. Housing units range in size from one to four bedroom units. Twenty-five percent of the units are reserved for low-income households, 50% for moderate income, and 25% for market rate.

The total development cost of the project is \$33,400,000. Financing has been provided by a variety of public and private institutions, including MHFA, SHARP, Chapter 707, Boston's Neighborhood Development Fund, BRA grants and EOCD. 116 Hun-

tington Avenue/Urban Investment and Development Co. has contributed \$763,465 in linkage funds together with other funds for the construction of the below-grade parking facility and foundations for the Leighton Park development.

Occupancy is scheduled for March of 1988.  
**Location:** Tremont and Dartmouth Abutting Copley Place  
**Developer:** Leighton Park Limited Partnership  
**Architect:** Goody, Clancy and Associates  
**Program:** 271 units of rental housing/75% affordable; 6,000 square feet of neighborhood commercial space, a child care center, and a large community room



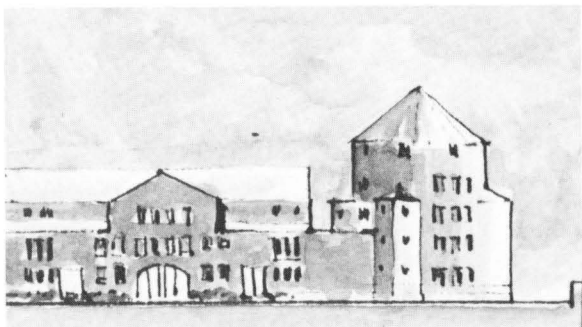


**27** **Habitat  
Housing  
Project**

Habitat represents a remarkable housing development theory put into practice. The development was made possible by the contributions of volunteer workers, local contractors who donated money, labor and materials, and the sweat equity of future residents. The units will be sold for \$35,000 to eligible families who were selected by lottery. The 33,000 square feet of land upon which the new homes sit was sold by the Public Facilities Department for \$1.00. The total development cost for the 11 units is \$777,000. The

Neighborhood Housing Trust awarded \$88,000 in linkage funds to the development. Construction began in August of 1987. The units are expected to be ready for occupancy by the end of February, 1988.

**Location:** Arbutus Street, Dorchester  
**Developer:** Boston Affiliate of Habitat for Humanity  
**Architect:** Acorn Structures  
**Program:** 11 two and three-bedroom townhouses for low-income families 100% affordable



**14** **Navy Yard  
Row Houses**

The Charlestown Navy Yard is a classic example of public and private interests cooperating to produce a quality urban environment. The Navy Yard Row Houses, a Bricklayer's and Laborers Non-Profit Housing Co.'s development, has been designed to reflect the historical flavor of the area and to be compatible with existing structures in the Navy Yard.

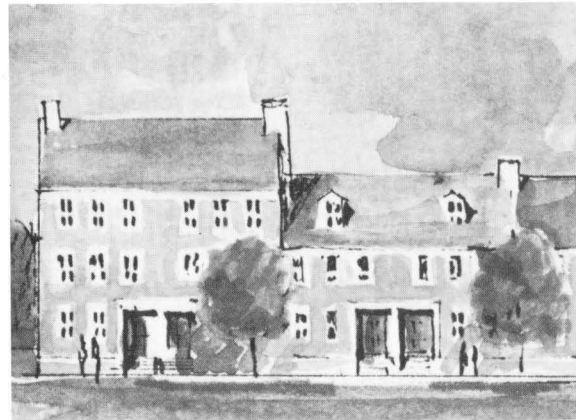
The development will consist of 29 one bedroom units, 4 two bedroom units, 9 two and 1/2 bedroom units, 6 three bedroom units and 2 four bedroom units. Thirty-two percent of the development will be affordable to low-moderate income families, and 68% will be affordable to upper moderate income families.

Prospective homebuyers will be chosen by a lottery scheduled for February 6, 1988.

The total development cost is \$6 million. Subsidies have been provided by the BRA and Immobiliare New England. The Neighborhood Housing Trust awarded \$210,000 in linkage funds to the project.

Occupancy is projected for the Fall of 1988.

**Location:** Parcel 4A1 in the Charlestown Navy Yard  
**Developer:** The Bricklayers and Laborers Non-Profit Housing Co., Inc. (BLNHC)  
**Architect:** William Rawn Associates  
**Program:** 50 housing units/32% affordable



**13** **Charlestown  
Townhouses**

Under new community leadership, CEDC has begun its first significant project in a decade. This project will be constructed on a one and a half acre site in Sullivan Square, Charlestown. The area has been vacant for many years, blighted by boarded-up buildings. There will be 26 townhouses, including 6 two-family units, built on the site. Thirteen of these townhouses will be sold at market rates, while the remaining 13 will be sold to moderate income families at affordable prices, with below-market mortgages.

Total development cost is \$3.8 million, including \$195,000 in linkage funds generated by the Building 149, Navy Yard Biotech Associates.

The townhouses will be ready for occupancy in Fall, 1988.

**Location:** Main Street, Sullivan Square, Charlestown  
**Developer:** Charlestown Economic Development Corporation  
**Architect:** William Lamb  
**Program:** 32 Housing Units/41% affordable



**Infill**

This project is perhaps one of the most difficult development challenges ever presented to a development team in Boston. During 1969 and 1970 an Infill Housing Program was undertaken by HUD and a private developer to construct 400 units of family housing on vacant sites scattered through the city. Over 100 units in 18 structures were begun, but the developments were abandoned before they were finished. The abandoned shells still stand and are an everyday affront to the neighborhoods in which they are located. In 1986, the non-profit Infill Collaborative, Inc. was formed by four non-profit neighborhood CDCs to renovate the remaining 17 buildings. Seventy-five of the 84 units will be affordable to families of moderate income—21 of these will be sold to the BHA through the 705 program, and the other 54 units will be eligible

for 5.5% financing through the Commonwealth's HOP program. Nine units will be affordable to families of upper-moderate income. The total development cost is \$9 million. Subsidy financing is being provided by a BRA grant, BRA land contribution, and EOCD insurance and demolition and rehabilitation assistance. The Neighborhood Housing Trust approved \$370,840 in linkage funds to ensure the project's feasibility. Construction will begin in the summer of 1988, and occupancy is scheduled for Fall of 1989.

**Location:** Scattered Vacant Sites  
**Developer:** Infill Collaborative of Four Community Development Corporation  
**Architect:** CPF/Domenech & Hicks  
**Program:** 84 condominiums in 17 buildings/89% affordable



**Granite  
Properties—  
BHP II**

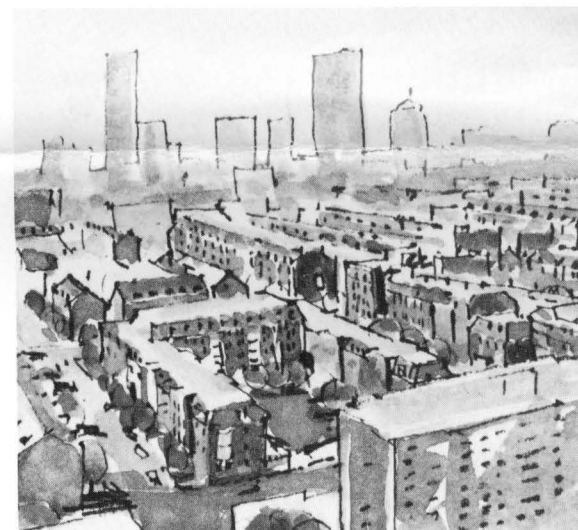
This consortium of seven community development corporations will save nearly 1,000 units of HUD foreclosed property from sale to the highest bidder. This program involves the rehabilitation of 51 residential buildings in Dorchester and Roxbury. The rental units, a mix of studios to five-bedroom apartments, will be 100% affordable. Currently all of the buildings are owned by HUD and are severely deteriorated. The properties will be acquired from HUD at nominal cost and will be rehabilitated and controlled by seven community development corporations.

The total development cost for this project will equal \$71.9 million. Funding will be provided by MHFA tax-exempt bonds, equity investment by twelve corporations (11 of them Boston-based), weatherization grants from ABCD and EOCD, a Housing Abandonment grant from EOCD, CDBG loans from PFD for bridge loans, front money loans and grants from CEDAC, EOCD, PFD, and the BRA. In addition, 125 High Street

Limited Partnership has pledged \$3.3 million in linkage funds to BHP II to meet MHFA mortgage escrow requirements. Any linkage used to meet project costs will convert to a deferred loan payable to the Neighborhood Housing Trust upon sale or refinancing of the properties.

Completion of the units is projected for the Fall of 1989.

**Location:** Dorchester and Roxbury  
**Developer:** Seven Community Development Corporations  
**Architect:** Migliassi-Jackson Hezekiah Pratt & Associates City Design R.D. Fanning & Associates Tennant Gadd Associates  
**Program:** 937 units in 51 buildings/100% affordable



**19** **Langham Court**

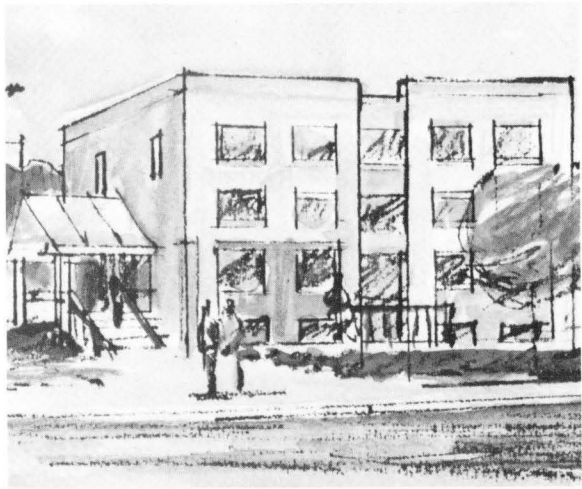
Langham Court will consist of a variety of units ranging from single room occupancy to three-bedroom, and in various configurations from elevator apartments to townhouses. One-third will be affordable to low-income households, and another third to moderate income households. Two-thirds of the units will be a limited-equity cooperative and one-third will be condominium units, an arrangement that will allow every household in the development to participate in its ownership. The directors of the non-profit corporation developing this project are long-term South End residents living near the site.

The total development cost of the project is \$11 million dollars. The New England/500 Boylston Street Development has pledged \$1.8 million in linkage to the project.

Construction start is projected for Fall, 1988, and occupancy in the Spring of 1990.

**Location:** Vacant block bordered by Shawmut Avenue, West Springfield Street, and Worcester Streets in the South End  
**Developer:** Four Corners Development Corporation  
**Architect:** Goody, Clancy and Associates  
**Program:** 84 housing units/67% affordable





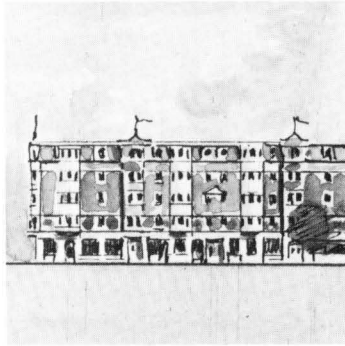
**25 Casa Esperanza**

Although not a large project in terms of size, Casa Esperanza is considered one of the City's most important projects in terms of social impact. Casa Esperanza is a non-profit agency which operates a bi-lingual, alcoholism recovery home for 25 Hispanic residents. This center, now complete, is housed in a rehabilitated four-story masonry structure in Roxbury. Funding for the operation of the program will come partly from the Commonwealth of Massachusetts Department of Public Health.

Total development cost for rehabilitation of the structure is \$514,000, including \$453,851 which has been contributed by public and private sources. Building 149/Navy Yard Biotech Associates Creation has pledged \$84,000 in linkage funds to the project.

The Center opened in December, 1987.

**Location:** 291 Eustis Street, Roxbury  
**Developer:** Casa Esperanza, Inc.  
**Architect:** Christopher Lynch  
**Program:** An alcoholism recovery home for 25 Hispanic residents



**20 Parmelee Court**

York Bay is a newly formed minority business enterprise and a new player on Boston's development scene. It was designated by the BRA to develop mixed-income housing on two adjacent BRA parcels within the SENHI program. The design of the project, Parmelee Court Homes, responds to the historical context of the site. Sixty-seven percent of the units will be offered at affordable rates. The units range from one- to four-bedroom apartments with some being handicap accessible. Fifty-four parking spaces will be provided. The total development cost for the project is \$11,856,875 with interest

subsidies from the MHFA SHARP program. The New England Life/500 Boylston Street Development has pledged \$1.3 million in linkage to the project.

Construction start is projected for Fall of 1988, and occupancy for the Spring of 1990.

**Location:** R-12A at 1762-1786 Washington Street and R-12B at 91-113 Northampton Street in the South End  
**Developer:** York Bay Development Corporation  
**Architect:** Cogen, Ocasio, Jorin and Johnson  
**Program:** 77 housing units/67% affordable

**23 Bricklayer's Back of the Hill Rowhouses**

BLNHC is a non-profit housing developer formed by the International Bricklayers and Allied Crafts and the International Union of Laborers to build quality housing with union labor at affordable prices. Working in conjunction with the City of Boston, BLNHC has purchased approximately 471,000 sq. ft. of land in Mission Hill for \$2 million for the development of affordable housing. The site is bounded by Fisher Avenue, Hayden Street, and Heath St.

The development will consist of 165 one, two and three bedroom brick townhouse units grouped as rowhouses along existing and new streets. 105 of the units will be sold at affordable prices to low, moderate and middle income families meeting MHFA income qualifications. Another 16 of the units will be sold to the BHA under the "705" program providing low income rental units.

The total development cost is \$20 million dollars, with subsidy contributions from CDAG, N.E. Baptist Hospital, Open Space Funds, and linkage. The linkage funds are being provided by the 745 Atlantic Avenue/Trammel Crow development and the Children's Hospital Replacement Bed Facility, which together have committed \$900,000 in linkage to the project.

Construction began in September, 1987 and the units are scheduled for completion by November, 1988.

**Location:** Mission Hill  
**Developer:** Bricklayer's and Laborer's Non-Profit Housing Co., Inc. (BLNHC)  
**Architect:** William Rawn Associates  
**Program:** 165 housing units/71% affordable



**29 The Lithgow Block**

This neighborhood development project will transform vacant land in Dorchester into new one, two and three-bedroom housing. Sixteen of the units will be made available to low-income families who are eligible for rental assistance under the state's Chapter 707 program.

This project, administered by the City's Public Facilities Department, is part of a larger, mixed-use development that includes the rehabilitation of the historic Lithgow building and the construction of a two-story commercial structure.

The total development cost is estimated at \$4.8 million. The 101 Arch Street/Lincoln Franklin Place development has pledged \$851,700 in linkage funds to the Lithgow Block. Construction is expected to start in the summer of 1988, and occupancy is projected for Spring of 1990.

**Location:** Codman Square, Dorchester  
**Developer:** Codman Square Housing Development Corporation  
**Architect:** Steffian Bradley Associates  
**Program:** 31 rental units/52% affordable

**16 Waterford Place—180 Shawmut Avenue**

The city's downtown neighborhoods have begun to feel the benefits of Boston's economic strength. Waterford Place in the South End will be one of the first projects to benefit from the Housing Creation Option. It will be developed by the Chinese Consolidated Benevolent Association (CCBA), a non-profit community based organization.

The eight-story highrise structure will be designed to emphasize family housing with 31 of the units comprised of 3 and 4 bedrooms. Four units will be handicapped accessible units. The project will also include an underground garage to provide 28 parking spaces.

125 Summer Street/Perry-Jaymont Venture has pledged \$1.7 million in linkage funds to subsidize a minimum of 66% of the units for low and moderate income families. The total development cost of the project is \$7.5 million, with \$5.26 million funded through SHARP, 707, and other program subsidies. The entire project is projected for completion in the Fall of 1989.

**Location:** Parcel 3B-2B in the South End  
**Developer:** Chinese Consolidated Benevolent Association  
**Architect:** Larkin, Glassman and Prager  
**Program:** 40 rental units/60% affordable



**21 John Boyle O'Reilly School**

NAGE has developed several projects in the Greater Boston area. The newest is the John Boyle O'Reilly School. It is a classical revival-style brick building, built in 1905. All of the new units will either be studio or one-bedroom rental units and will be affordable to low-income, elderly tenants. Section 8 rent certificates will be available to all tenants.

\$2.2 million in permanent and construction financing has been secured through HUD's 202 program. The Heritage on the Garden Development in downtown Boston has committed its \$445,000 in linkage payments to this elderly housing project. Construction is scheduled for completion in the Spring of 1989.

**Location:** 347 Dorchester Street, South Boston  
**Developer:** A non-profit subsidiary of the National Association of Government Employees (NAGE)  
**Architect:** E.M. Doleny Assoc.  
**Program:** 32 units of elderly housing/100% affordable



## INVESTING IN BOSTON'S NEIGHBORHOODS

Boston has pioneered another type of linkage called Parcel to Parcel Linkage, a first-in-the-nation partnership for economic justice. It directly links downtown and neighborhood development. Under the program, the city ties the disposition of publicly-owned downtown parcels with publicly owned parcel in neighborhoods. Furthermore, the program requires the economic participation of local community development organizations, minority businesses and developers, and the neighborhood's residents themselves. The strategy is to use the value of city-owned land to produce affordable housing, job training, funds for social services, and economic opportunity for Boston residents. The first two projects in the Parcel to Parcel Linkage Program are already underway. The first project, Parcel 18 and Kingston Bedford/Essex, links a site downtown to a site in Roxbury. The affected communities, Chinatown and Roxbury, are working with representatives of the city, the state, and a team of community based minority developers to begin construction of the combined \$400 million mixed-use development.

The second project links a mixed use development at Park Square, in downtown Boston, to the creation of housing in Boston's South End. The South End site will provide transitional housing for homeless mothers and their children. The strength of the proposals for both projects is evidence that in a strong market such as Boston's, linkages of publicly owned sites can generate projects of superior urban design, and also generate substantial community benefits. ■

## PARCEL TO PARCEL LINKAGE: Project 1

The first Parcel to Parcel Linkage project links the city-owned Bedford Street parking garage and a parking lot on Essex Street with Parcel 18, a state-owned site in Roxbury.

The Kingston Bedford site is being proposed as a major multi-use project consisting of class A office, retail, hotel and residential uses, and an underground parking garage. The Parcel 18 site is being proposed to accommodate a major commercial center with two mid-rise office buildings, retail space, mixed income housing, a community and cultural center, and an underground garage. This project is expected to create 2,000 construction jobs and 7,800 permanent jobs with job and language training programs.

Columbia Plaza Associates, selected through a competitive process to be the minority development partner, will receive at least 30 percent equity interest in the two projects. Currently, CPA, the City, State, and both communities are reviewing proposals submitted by nationally reknown major developers who are vying for the opportunity to co-develop the Parcel 18 and Kingston-Bedford Street sites.

It is envisioned that this process will serve as a model for public land dispositions that provide opportunities and economic growth for the people of this city, and allow minority and community developers and businesses a chance to gain experience in major development. ■

## PARCEL TO PARCEL LINKAGE PROJECT 2

The second parcel to parcel linkage project links the development of Park Square in downtown to a mixed income housing development on sites bounded by Washington Street, Rutland Street, West Concord Street, and Shawmut Avenue in the South End. A portion of the economic value created through the development of the mix of market rate residential housing, office, and retail at the Park Square site will be used to leverage the development of the site in the South End.

The development of both sites will create approximately 250 new housing units, 100,000 square feet of office space, 70,000 square feet of retail space, childcare services, parking, and open space.

The project on the South End site will include 36 transitional housing units for homeless women and children. The transitional housing will provide women and children with housing, childcare, counseling, legal assistance, job training, and career planning to help them begin to rebuild their lives.

A competition to select a development team established criteria including, among other things, achievement of affordability goals, opportunities provided for minority business and community based non-profit organizations, compliance of the proposed developments with the development guidelines, and the capability and financial strength of the development team. ■

## LINKAGE: BOSTON'S STORY

*continued from page 1*

Examples of linkage in Boston can also be seen in numerous public-private partnerships. The Boston Resident Jobs Policy requires developers of major projects to ensure that 50 percent of all construction workers be Boston residents; that 25 percent be minorities, and that 10 percent be women. The Boston Housing Partnership, a consortium of private lenders and developers, city and state government officials, and neighborhood based non-profit Community Development Corporations, was formed to build and rehabilitate affordable housing. The Boston Compact is a partnership between the City's major employers and the public schools to provide jobs and job training for Boston high school graduates, as an incentive for improving the performance of the public schools. These and other innovative programs are part of the Flynn Administration's effort to serve the needs of Boston's low- and moderate-income population. ■

## LINKAGE: A NEW SOCIAL CONTRACT

*continued from page 5*

The linkage concept was first introduced in 1982 by a coalition of citizens' groups and public officials (including then City Councilor Raymond L. Flynn) with support from the *Boston Globe*. In March, 1983, a linkage program was passed by Boston's City Council, but was vetoed by then Mayor, Kevin White.

In June 1983, a 30 member advisory panel on linkage was established. The group, which included city officials, developers, academics, and housing advocates, conducted public hearings throughout the summer of 1983. Linkage became a major issue in the 1983 campaign and all but one of the seven leading candidates endorsed some form of linkage. In October 1983, the advisory group issued a report recommending the establishment of a linkage program. Raymond L. Flynn, one of the strongest advocates for linkage, was elected Mayor of Boston in November, 1983. One month later, the Boston Zoning Commission officially adopted Article 26 of the Boston Zoning Code, the linkage policy recommended by the advisory group.

New linkage policies were proposed by Mayor Flynn, and adopted by the Zoning Commission, on February 26, 1986. These new policies, Articles 26A and 26B of the Boston Zoning code, allow linkage funds to be targeted to neighborhoods; provide for the first job training trust fund in the nation; and nearly double the dollar value of housing linkage contributions. In order to ensure these employment opportunities, Mayor Flynn issued an Executive Order establishing employment requirements for residents, minorities, and women in any development project receiving discretionary approval from the city. To further ensure careful monitoring and compliance with employment goals, the Mayor proposed the creation of the Boston Fair Employment Commission.

These policies are the first steps in bringing the benefits of downtown investment to neighborhood residents. ■

### RAYMOND L. FLYNN, Mayor CITY OF BOSTON

KRISTEN McCORMACK, *Director*  
MAYOR'S OFFICE OF JOBS AND COMMUNITY SERVICE

LISA CHAPNICK, *Director*  
PUBLIC FACILITIES DEPARTMENT

DON GILLIS, *Director*  
MAYOR'S OFFICE OF NEIGHBORHOOD SERVICES

DORIS BUNTE, *Administrator*  
BOSTON HOUSING AUTHORITY

STEPHEN COYLE, *Director*  
BOSTON REDEVELOPMENT AUTHORITY

ROBERT L. FARRELL, *Chairman*  
JOSEPH J. WALSH, *Vice-Chairman*

JAMES K. FLAHERTY, *Treasurer*  
CLARENCE J. JONES, *Vice-Treasurer*

MICHAEL F. DONLAN, *Vice-Chairman, Subcommittees*  
KANE SIMONIAN, *Secretary*

### NEIGHBORHOOD HOUSING TRUST

LAWRENCE DWYER, *Chairman*

THE HONORABLE CHRISTOPHER IANNELLA, *City Council President*

#### Members

GEORGE RUSSELL

FRANCIS O'BRIEN

MARY MacINNIS

MARLENA RICHARDSON

JOHN CONNOLLY



Form 1/pg.2

**B. PROJECT DESCRIPTION (BRIEF NARRATIVE)** The two buildings will be significantly rehabilitated in order to serve as the site for a Transitional Apartment Program for homeless youth. The rehabilitation will repair the structural problems in the houses and improve their appearance. The original scope of the work included: remove all existing siding and roofing and replace with wood and asphalt shingles; replace fire escapes; repair front steps; replace concrete walks; repair and re-glaze existing windows; insulate exterior walls and ceilings; and interior work such as partitions, ceilings, flooring, paint, cabinets and appliances, new plumbing and electrical fixtures. Once the contractor began the project he located a number of concealed conditions, mostly due to a fire prior to Bridge's ownership. These new conditions (plumbing, heating, electrical, structural, roof) require an additional outlay of \$144,820. It is these funds that Bridge is seeking through the Neighborhood Housing Trust in Linkage funds.

**C. PROJECT FINANCING SUMMARY****1. Development Budget**

Real Estate Acquisition	\$ 426,666
Construction Costs	\$ 450,840
Related Soft Costs	\$ 39,620
Contingency	\$ 45,856
Machinery & Equipment	\$ 0
<b>TOTAL</b>	<b>\$ 962,982</b>
Total dev. costs per sq. ft.	\$ 126.71
Construction costs per sq. ft.	\$ 59.32
Total cost per unit	\$ 160,497

**2. Project Funding**

Source	Amount	Terms (%/Years)	Status	Collateral
a) H.U.D.	200,000		Guaranteed	
b) Foundations	30,000		Guaranteed	
c) Corp./Private	51,020		Pending	
d) Equity	\$ 0		-	
e) Linkage	\$144,820		Pending	
<b>Total:</b>	<b>\$ 425,840</b>			

NEIGHBORHOOD HOUSING TRUST  
THE BRIDGE, INC.

PROJECT SUMMARY

I.

Applicant Eligibility

The Bridge, Inc. meets the five specific standards in Section III of the Neighborhood Housing Trust Request for Proposals.

II.

Project Eligibility

The numbering of the points below corresponds to the numbering in Section IV of the Neighborhood Housing Trust Request for Proposals.

1. Need for Trust Funds

The 100% affordable units to be created by Bridge could not be developed without Linkage funds. The original budget for this project was \$280,840. Bridge received a portion of this funding from the McKinney Act funds via the U.S. Department of Housing and Urban Development (HUD) and is seeking and has received funds toward the remainder of the budget from private foundations. Due to additional costs of approximately \$145,000 related to concealed conditions that became apparent only after the rehabilitation began and which were primarily the result of a fire prior to Bridge's ownership, Bridge's need for Linkage funding is great. The agency has investigated other possible funding sources and is not eligible for P.I.P. funds through the Department of Public Facilities. When HUD funds for emergency shelter grants through the Department of Public Facilities become available, Bridge will certainly apply for those. Since this application is due prior to requests for emergency shelter grants, it behooves Bridge to submit this one now. Bridge has also investigated the Housing Innovations Fund administered by the state Executive Office of Communities and Development (EOCD). Bridge has submitted a letter of intent to EOCD and plans to apply for these funds as well.

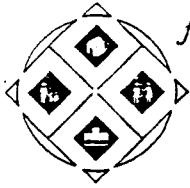
2. Trust Funds to be Used Solely for Affordable Housing

Linkage funds provided will be used exclusively to assist the affordable units.

3. Trust Funds to be Used Solely for Housing

Linkage funds that are provided will be used exclusively for housing.

# WOMEN'S INSTITUTE



*for Housing and Economic Development, Inc., 179 South St., Boston, Mass. 02111 617-423-2296*

July 1, 1988

Mr. Lawrence Dwyer  
Executive Director  
Neighborhood Housing Trust  
26 West Street 3rd Floor  
Boston, MA 02111

Dear Mr. Dwyer:

On behalf of Operation Food, Inc. please accept this letter and the enclosed forms as application requesting \$150,000.00 from linkage funds from the Neighborhood Housing Trust. Operation Food, Inc. a local, non-profit organization has been working to develop the building located at 669 Walk Hill Street into transitional housing for pregnant women. The building requires substantial rehabilitation to meet building codes and to properly service these residents.

This money will be applied to the costs of renovation. Said work is primarily interior and includes: reconstruction of two bathrooms and a newly built kitchen, complete deleading, rebuilding stairways, repairing floors, ceilings and windows, and insulation and finishing of the third floor. A complete scope of work is attached with our proposal.

Operation Food has been able to secure monies to cover a portion of these renovation costs, but has a gap of \$150,000 remaining. It is critical that we be able to secure the remaining funds, because of the restrictions on use of some the grants already received. The McKinney money needs to be distributed by August 31, 1988. Funds from the Hyams Foundation require evidence of matching money before they will release their funds.

It is also critical that Operation Food be close to operational by late fall so that they can apply for the next round of McKinney Transitional Housing money for long term operation funds, which is awarded on a 5 year basis.

Money from the Linkage Fund will make this project a reality. If there are any questions you have on the project or program please call me. I look forward to hearing from you.

Sincerely,

Marcie Laden  
Executive Director  
Women's Institute: Development Consultant



## HOUSING CREATION PROPOSAL

In connection with the 73 Tremont Street development, the Unicorp American Corporation signed a Development Impact Project Agreement to make housing payments to the City of Boston at the rate of \$130,357 per year during the years 1988-1994. We propose that \$150,000 of this total be assigned to Operation Food., Inc. to assist in the rehabilitation of transitional housing for up to ten (10) homeless pregnant women.

### BACKGROUND AND PROGRAM DESCRIPTION:

In response to community needs of homelessness and the high infant mortality rate, Operation Food., Inc. proposes to establish a Transitional Home at 669 Walk Hill Street, Mattapan, to provide 3800 square feet of congregate living space for ten (10) homeless, pregnant women. The experienced staff will provide individualized pre-natal and post-natal care with a goal of providing residents with the necessary skills to make a worthwhile future for themselves and their families and to find permanent housing. Operation Food., Inc., a non-profit community based group, has been providing assistance to people in need since 1981. (A complete program description is attached in tab #7.)

### SITE:

669 Walk Hill Street is a three-story structure constructed in the early 1900's for the purpose of providing a home for women "in need". The building was used by the Jewish Family Services, and because of its previous use the building is appropriately zoned for this project. Operation Food acquired a 5 year lease with two 5 year renewable options, effective July 1, 1988. An option to purchase the building remains in force for the full term of the lease. The building is located in a residential neighborhood of primarily multi-family homes. The design will provide a home-like environment, and residents will enjoy proximity to transportation, medical facilities, social service offices, and stores.

### DEVELOPMENT PROPOSAL:

Operation Food, Inc., proposes to rehabilitate the three story structure into 3800 square feet of congregate living space. Ten private rooms, four large rooms for dining and living spaces, a full basement, two bathrooms, two showers, a kitchen, space for an administrative office, and a bedroom on the third floor for overnight staff will be provided.

The total development cost is \$216,000. Funds raised as of 6/25/88 are \$62,500. Linkage requested is \$150,000, at \$15,000 per unit. The projected operating budget is \$235,000 per year.

The Shelter Resource Unit of the Department of Public Welfare will provide the bulk of the operating funds. Resident Medicaid payments and the Massachusetts Healthy Start Funds will be used for pre-natal health care and parenting instruction.

#### **FINANCING:**

The total rehabilitation cost is estimated to be \$216,000. Financing already received as of 6/25/88 is \$62,500. The Godfrey Hyams Trust has contributed \$12,000, DPW McKinney Fund Grant is \$30,000, Shawmut Bank Charitable Foundation has contributed \$3,500, and Clipper Ship Foundation has given \$5,000. The anticipated equity contribution from Operation Food, Inc. is \$8,500, leaving a gap of \$150,000. But for a linkage award, the project will not go forward.

#### **AFFORDABILITY - APPLICATION OF LINKAGE FUNDS**

The linkage will be applied to all ten proposed units (\$15,000 each ) to enable 100% affordability. The services provided to the homeless pregnant women will be free to them.

#### **COMMUNITY PARTICIPATION:**

Operation Food, Inc. has been a community presence for many years in Mattapan, and its advisory board is comprised of representatives from the community, as well as those experienced in social service delivery systems. See attached list in tab #2.

By Peter J. Howe  
Globe Staff

Cape Cod and nearby coastal areas yesterday bore the brunt of the region's first major snowstorm this winter. The northeaster dumped up to a foot of blowing powder, and packed winds that battered a disabled fishing trawler for several hours in rolling seas east of Chatham.

But overall the storm - which Thursday cascaded parts of North Carolina with up to a foot of snow - failed to live up to forecasts that it would inundate New England. Edging up the seaboard more slowly and in a more easterly direction than ex-

pected, the storm passed Boston well after dark Friday and has mostly blown out to sea by midday yesterday.

Accumulations ranged from about 3½ to 4 inches in Greater Boston to 7 inches in Marshfield and 12 inches in Chatham. Hardest hit was a coastal area stretching from Rhode Island - where 8 inches were reported at Charlestown and Point Judith - across to Cape Cod and up to the New Hampshire coast.

A 50-foot fishing trawler, the Gloucester-based Paul and Dominic, was being towed into Provincetown by the US Coast

**STORM, Page 31**



Globe photo/Stephen Rose  
**Bruce Oliver pulls a sled with Bruce Jr., 8, along a road near Hyannis.**

court. By tracking down previous owners through vehicle-identification or registration numbers, the city has cited more than 2,500 people since Oct. 28, when the ordinance went into effect, and expects to target thousands more this year.

The Boston Transportation Department's director of enforcement, Jeremiah J. Connors, said in an interview Friday. "There are some indications that lead me to believe it's getting better."

Connors cited the following numbers:

- A total of 9,186 abandoned cars were removed by the city or by city contractors in fiscal 1988, the year that ended June 30 - up **TOW, Page 30**

## INSIDE

● At a celebration of their unity yesterday, several hundred Catholics converged at the Cathedral of the Holy Cross to hear Cardinal Bernard Law speak about the future of the more than 25,000 Catholic blacks in Boston. **Page 42.**

● A prominent Lowell businessman was handcuffed and taken from his office Friday afternoon after he allegedly threatened to blow up two airlines at Logan International Airport, according to a published report. **Page 31.**

**Metro/Region news on pages 25-31, 42-45**

# Arm-twisting producing few housing units

By Brian C. Mooney  
Globe Staff

More than 2½ years ago, inclusionary zoning was supposed to become the law in Boston and ensure the production of low-cost housing units, but despite Mayor Flynn's well-publicized promises, it has not happened.

Instead, his administration has been trying to implement the policy through ostensibly voluntary side agreements with developers. The deals vary, some small projects have fallen through the cracks, and critics of the policy wonder if it is ripe for a legal challenge.

Some housing advocates said they believe Flynn lost an opportunity to enact legislation that could have produced below-market-rate housing for years to come. At the same time, many industry officials said they believe any form of inclusionary zoning - under which developers set aside a certain percentage of units for lower-income tenants - is over-regulatory and counterproductive, if not illegal.

So Flynn has opted for a middle ground, a gray area in legal status, and has left nobody entirely happy.

Meanwhile, an air of uncertainty ex-

ists about the future of inclusionary contracts and most other housing-creation initiatives that thrived in Boston's once-sizzling, now-cooling housing market.

Housing start statistics released by the Flynn administration earlier this month showed that production levels are flattening out after two boom years. And the news is getting worse. The House Ways and Means Committee's proposed 1990 state budget slashes virtually the entire \$15 million housing budget sought by Gov. Dukakis. Those were to be the subsidies for below-market-cost housing. **ZONING, Page 26**

Boston Globe 2/26/89

## 3-year housing-start figures show little citywide impact

Despite a variety of initiatives by Mayor Flynn's administration, production of below-market-rate housing in Boston for the past three years has been concentrated heavily in a few neighborhoods, and nearly 40 percent of the units are in public housing.

An examination by The Boston Globe of city housing starts for 1986-88 shows that permits were issued for 10,486 new units, and 3,759 of those were priced to be available to low-income and moderate-income tenants or buyers.

But 1,441 of those are renovated Boston Housing Authority apartments. Another 400 are at the heavily-subsidized Harbor Point conversion of the old Columbia Point housing project in Dorchester.

The Globe's analysis shows the following breakdown by neighborhood for the three-year period. The list, based on the last three annual reports of the city's Public Facilities Department, includes the total number of units, the number of below-market-rate units and the number of BHA units.

— BRIAN C. MOONEY

Neighborhood	Total	Lower-rate	BHA
Allston-Brighton	530	31	0
Back Bay-Beacon Hill-Downtown	548	0	0
Charlestown	890	298	279
Chinatown	177	3	0
Dorchester-Franklin Field	2,398	999	176
East Boston	308	42	1
Fenway-Kenmore	305	117	0
Hyde Park	168	5	0
Jamaica Plain	442	122	0
Mattapan	117	56	0
North End	131	0	0
Roslindale	375	162	41
Roxbury-Mission Hill	2,059	1,287	732
South Boston	718	293	202
South End	959	342	10
West Roxbury	361	2	0
Totals	10,486	3,759	1,441

Globe staff chart

# Arm-twisting producing fewer housing units

## ■ ZONING

Continued from Page 25

And as this has been happening, interest rates have been inching upward.

"The greatest impact on supply is not inclusionary zoning," said Stephen Coyle, director of the Boston Redevelopment Authority. "It is changes in the tax laws and financing climate and people concerned about oversupply."

Coyle, whose agency is responsible for negotiating, monitoring and enforcing the inclusionary contract agreements, said the informal inclusionary policy "is an experiment; in 1986 people did not know what impact the policy would have. I'm looking at the bottom line of that experiment today, and the policy has produced some results which are surprising."

At the end of last year, the redevelopment authority had finalized or was negotiating 33 contracts with developers, prior to their having received zoning approvals or building permits. Those contracts covered developments with a total of 2,714 units, according to records released in response to Boston Globe requests.

### Few completed

Only a small percentage of those had been completed and were being marketed, however. Many were in early development phases, and a number of agreements were not final.

But those agreements, if ultimately approved, call for developers to:

... Flynn has opted for a middle ground, a gray area in legal status, and has left nobody entirely happy.

— Set prices for 217 units on their sites at levels affordable to low-income and moderate-income buyers or renters.

— Build 52 so-called affordable units "off site," in some cases on land donated by the city.

— Contribute \$2.32 million to a fund that the redevelopment authority uses to fill gaps in various other subsidized developments, in lieu of building new housing.

Flynn's original proposal, unveiled in July 1986 amid great fanfare, called for all developers of market-rate or luxury housing to make at least 10 percent of the units available to low-income and moderate-income families. In theory, the soaring property values in Boston would allow developers to subsidize the affordable units from the exceptional profits of the market-rate units.

### Legal issues raised

But Flynn's bid to amend the city's zoning code died quietly that fall, shelved by the redevelopment authority amid legal questions after some developers attacked the measure and threatened court action if it passed.

Despite periodic assertions since then by Flynn's aides that

he planned to exhume the measure and resume the fight, he has not, choosing instead the agreements, which are described as voluntary.

The result is that no one is entirely happy. Some housing activists think Flynn is taking the easy way out, getting promises of housing production now at the expense of a long-term or permanent policy.

Developers just laugh or shrug when asked if the policy is voluntary and write it off as a cost of doing business in a hot market. Other industry officials, however, contend that Flynn is trying to implement his policy through the back door in an effort to avoid court challenges.

Lewis Finfer, director of the Massachusetts Affordable Housing Alliance, said: "It's hard for us to understand why he switched on this. . . . It's our understanding that not every development is reaching 10 percent now, and if someone replaces Flynn, it will not be the law."

### "Broken promise"

"Is it a broken promise? Yes," said one veteran housing activist, who asked to remain anonymous. "But is it one you could organize around? No," he said, referring to organizing a protest.

District City Councilor David Scondras (Fenway), one of the leading tenant advocates on the council, has called Flynn's deal-policy "too loosey goosey" and fears it may be unenforceable.

But developers are split between those who oppose inclusionary zoning for philosophical reasons and those who accept it as a cost of doing business.

Philip S. Lapatin, a lawyer who represents the Greater Boston Real Estate Board, said the Flynn administration's use of contracts rather than zoning requirements is a way to get around legal obstacles.

"It would be interesting to see whether developers who signed it could disclaim it," said Lapatin. "But most of them rely on the city for their permits and really don't want to ruffle anyone's feathers by repudiating contracts after they sign them."

### "Will just prevent" building

Dana G. Pope, who was president of the Rental Housing Association last year, said heavy zoning restrictions, such as an inclusionary provision, "will just prevent housing from being built."

"This is sort of happening by fiat," said Pope, an executive vice president at Dolben Inc. "Different developers are being treated in different ways because there's no person in charge of this supposedly nonexistent requirement at the city level."

Ronald Cahaly, developer of a 175-unit project in Allston's Union Square section, was one of the first to accept voluntary inclusionary provisions in return for zoning relief for his \$30 million project. This spring, he must market 12 units at below cost to buyers who meet income guidelines set by the federal government.

Cahaly's contract also calls for him to build 20 more units at cost on land donated by the city.

"It's a taxation on developers, really," Cahaly said. "The concept is good, but a blanket rule would be extremely hard to monitor. . . . Every deal is unique."



# FINAL WINTER CLEARANCE!

## Four teen-agers shot after Dorchester party

■ SHOOTING

to find Chaney lying across the

# \$14.3 million pledged to Boston housing

By John King  
Globe Staff

Two national insurance firms have agreed to provide the city with \$14.3 million to jump-start 11 Boston housing projects, a move Flynn administration officials say will trigger the creation of 1,000 new residential units.

The firms will buy the city's housing linkage fees from 10 downtown projects — fees that trickle in on a yearly basis. By providing the money now, the firms will give the city nearly six times as much cash as it would otherwise receive from linkage this year.

"This is the kicker — it gets the stuff in the ground," Thomas O'Malley, a housing planner for the Boston Redevelopment Authority, said yesterday.

"Instead of doing two or three projects this year, we'll do 21."

Ever since its creation in 1984, linkage has been touted as a way to make the benefits of downtown development flow into Boston's neighborhoods. Developers pay a \$5-per-square-foot fee that is set aside to fund housing production, much of it at below-market prices.

More than \$75 million has been committed to the linkage pot, administered by the city's Neighborhood Housing Trust. But developers pay fees over a seven-to-12 year period, so the yearly income stream is relatively small; last year it totaled \$1.8 million.

Under the agreements worked out  
LINKAGE, Page 45

## \$14.3m pledged to Hub housing

### ■ LINKAGE

Continued from Page 43

this week, Metropolitan Life Insurance Co. and Prudential Life Insurance Co. will purchase the future payments from 10 office buildings that either are finished or under construction. The \$14.3 million the city receives will be distributed to 21 separate housing projects that contain 1,042 units, 75 percent of which will be affordable.

The plan will be presented to the housing trust this morning. The BRA board of directors will review it this afternoon.

Without the money, say city officials, the projects either wouldn't be able to start construction, or wouldn't be able to keep units priced at affordable levels.

"This keeps a lot of projects moving that otherwise would be in jeopardy," housing trust chairman Lawrence Dwyer said yesterday.

In a statement last night, Mayor Flynn suggested that the city sees the unorthodox approach as a way to compensate for declining subsidies. "We have to send a message that Boston is going to

keep up affordable housing production, despite cutbacks in federal funding and uncertain state assistance," he said.

Efforts to create affordable housing have met with difficulties in the past year. Often, projects were born when Boston's market was much stronger; the idea was that market-rate units within projects would be sold at a profit to subsidize the below-market units. As the market sagged, the built-in subsidy disappeared and banks showed little interest in what they saw as risky developments.

Officials for the two insurance firms, however, see little risk in buying money that hasn't yet been received.

"This is a sound business decision, as well as a positive social investment," John Loehr, Met Life's regional manager, said yesterday. "These are loans against future payments, but they're payments from developments that are secure."

Among the 21 projects to receive funds are several South End residential projects, four Charlestown developments and four lodging houses.

*'If you step back and look from 1983 to 1989, you see linkage has gone from theory to projects, concept to reality. It has become a real force for housing in Boston.'*

STEPHEN F. COYLE, director of the Boston Redevelopment Authority

## For builders, linkage now part of the landscape

By Peggy Hernandez  
GLOBE STAFF

The idea seemed farfetched when it was introduced in 1983.

City officials decreed that developers had to share the fruits of Boston's downtown construction boom by contributing to an affordable-housing fund to benefit the neighborhoods.

The city called it linkage. Developers called it a thinly disguised tax.

Linkage was praised by housing advocates and reviled by the real estate indus-

try with equal vigor.

Six years later, after amendments to city zoning laws, court challenges and modifications, linkage is no longer a political buzzword. While many developers, as well as institutions engaged in expansion projects, resent the program, they accept the fact that linkage payments are part of the negotiating process to obtain city building and zoning permits.

Today, developers of 41 commercial projects have committed to paying more than \$76 million in linkage, according to the Boston Redevelopment Authority's figures last month. Of that amount, \$28.4

million has been earmarked during the past six years for construction or rehabilitation of 2,900 housing units, 84 percent of which are slated to be sold at rates intended to be affordable to low- and moderate-income families.

Of those 2,900 units, according to the BRA, about 1,800 have been completed and 80 percent are considered "affordable."

The latest development in the program was a \$7.4 million loan to the city by Metropolitan Life Insurance Co. and a \$3.4 million loan by Prudential Insurance Co., to be repaid with future linkage contribu-

tions from 10 downtown projects. The total loan represents roughly six times the cash that otherwise would be realized from the annual linkage payments, which are spread over 7 to 12 years; last year they totaled \$1.8 million.

Boston officials say the loan arrangement was sought because, without a substantial sum of money, city-backed developers of proposed housing projects either would be unable to start construction for some time or be unable to keep units priced at affordable levels.

LINKAGE, Page 44

## For city's developers, linkage is now part of the landscape

LINKAGE

Continued from Page 29

The Metropolitan-Prudential agreement took more than two years to secure - after banks rejected city attempts to obtain a similar loan - and the loan was formally given to city officials during a recent ceremony. The \$10.8 million loan will help build 1,174 units of new housing for families of mixed incomes throughout the city.

City officials hail the Metropolitan-Prudential loan as evidence of the linkage program's continued viability. Stephen F. Coyle, BRA director, said he is now negotiating with another major insurance company for a similar loan agreement.

"If you step back and look from 1983 to 1989, you see linkage has gone from theory to projects, concept to reality," Coyle said. "It has become a real force for housing in Boston. Everyone should take a measure of satisfaction in what's been done and resolve to do more."

Linkage has "been almost a lifesaver for Roxbury," said Ken Wade, chairman of the Roxbury Neighborhood Council. "The level of affordable housing in this community would not be accomplished had it not been

for linkage."

Added Tom McIntyre, vice president of the Bricklayers Nonprofit Housing and Development Corp., which has built linkage projects in Mission Hill and Charlestown, "Affordable housing is a big mosaic, and you couldn't get to the batter's box without linkage. It's seed money that community groups need to solidify a whole development project" with mortgage lenders.

In addition to expanding the supply of housing, the program has also emboldened neighborhood residents who now negotiate for linkage benefits before endorsing a project, and it has made them hungry for more say in their community.

"The benefits of linkage is just a start and desperately needed, but there are other things we need," said Bill Moy, moderator of the Chinatown Neighborhood Council, which has worked for more than a year with the New England Medical Center on its master plan. The plan is awaiting BRA approval.

"We need a chance to grow and expand," Moy said. "If we're confined only to a few square blocks, then linkage will not be that meaningful."

But most major downtown developers, many of whom view linkage as a special tax borne by one group, remain opposed to the program.

"The whole issue of affordable housing is public policy. Linkage is not going to solve it," said Michael Manzo, president of the Greater Boston Real Estate Board. "Our feeling is this is somewhat of a Band-Aid approach."

Roxbury's Wade wonders whether linkage is as viable as city officials say. He worries it is too dependent on the economic health of Boston and Massachusetts, which lately have not been doing so well.

"Linkage, in certain climates, just doesn't work," said Wade. "The slowdown in the local economy is going to have some impact on linkage. There are some development projects on the drawing board that would have generated substantial linkage that will probably stay on the drawing board."

Meanwhile, institutions that support linkage wonder whether they can afford it.

"On one hand, we very much support benefits directed to our community and supporting economic development, which in our case is Chinatown," said Anne Levine, director of

planning for New England Medical Center.

"On the other hand, nonprofit institutions can't increase our charges for a patient through an insurance company, Medicaid or Medicare to cover a linkage payment. We're in a bind to do our own fund-raising to support capital projects and linkage."

The concept of linking the benefits of downtown development to the neighborhoods was introduced during Boston's mayoral campaign in 1983 and adopted by the City Council that year. During Mayor Flynn's administration, the concept has taken shape, after being upheld by the state's highest court in 1986 against challenges by developers, and has taken root.

Developers seeking zoning variances for large downtown projects must make payments of \$5 for every square foot over 100,000, plus an additional \$1 for every square foot over 100,000 to be channeled to job-training and placement programs for city residents.

The linkage pot is administered by the city's seven-member Neighborhood Housing Trust. After a public hearing process, the housing trust

and the BRA approve linkage grants. Amounts awarded vary.

The linkage commitment could be \$150,000, as promised to Operation Food for its transitional home in Mattapan with space for 10 homeless pregnant women, or it could be \$2.3 million, as promised for Langham Court, a proposed 84-unit housing cooperative in which 56 of the units are to be affordable.

Completed or under development are projects in the neighborhoods of Charlestown, Jamaica Plain, East Boston, South Boston, South End, Roslindale, Roxbury, Beacon Hill, Mission Hill, Mattapan and Dorchester.

While few dispute the need for more affordable housing, city officials agree with linkage's critics that it alone will not solve Boston's housing shortage.

"Linkage is not a panacea for the problems of housing in the city," said Larry Dwyer, the city's Parks and Recreation commissioner and chairman of the Neighborhood Housing Trust. "We never billed it as such. What it is, it's a catalyst."

Thomas O'Malley, BRA housing planner, said: "I agree with people like Ken Wade that we need more creative solutions for affordable

housing. Linkage and cheap land is not the answer.

"But at a time when the federal government has retracted from its historical commitment to affordable housing, at a time when the state is having problems funding housing subsidies, right now linkage is the tool."

The debate over linkage will surely continue, but it has produced some tangible results.

One such result was evident during the Metropolitan-Prudential loan ceremony. It was held last month at the former Shawmut Congregational Church in the South End, which is to be the site of 27 condominiums being partially funded through the loan.

The city agreed to approve linkage financing after 10 years of effort by Inquilinos Boricuas en Accion (Puerto Ricans in Action) to build housing on the site - a fact noted by the group's executive director, Clara Garcia, during the ceremony.

Though Garcia said she was glad the Metropolitan-Prudential loan will result in more housing for the South End, she told city officials that the group's work with the city for more linkage benefits is not over.

"We're not going to stop here," Garcia said. "We're going to continue to work for..."



Note: The following materials were included as part of a notebook of funding materials prepared for Caritas. The notebook itself contained original copies of the written fundraising guidelines of the Corporations from which such guidelines are available.



## Corporate Contributions Programs of Massachusetts Corporations

This notebook contains basic information on the corporate contributions programs of 52 of the largest corporations in Massachusetts, with particular emphasis on those within the Greater Boston Area.

### Selection of Companies

Immediately following this introduction to the notebook is a list of top Massachusetts companies compiled from Dun's Business Rankings. From this list, I have selected the companies marked "B" based primarily upon the following criteria:

- 1) Location within the Greater Boston Area, including Framingham (per request of Marjorie O'Malley).
- 2) Sales of \$250 million or above (arbitrary cutoff to arrive at approximately 50 companies).

At your (Marjorie's) request, I have not attempted to select corporations based on their product, type of business or prior giving patterns. Due to time constraints, I have not included banks or insurance companies in this survey. I have given you a copy of the Dun's list so that you can follow up on any corporations or financial institutions which I have not included in this notebook.

### Explanation of Summaries

At each tab in the notebook, you will find at least a one-page summary of each corporation, which includes 1) the corporation's address, phone number, and the "vital statistics" from the Dun's listing (i.e. # of employees/employees at this location/sales in thousands of dollars); 2) the contact person for funding requests; 3) a brief summary of my contact with each corporation, and 4) a form for recording further contact with the corporation. Where available, I have also included each corporation's written guidelines and summaries of certain corporations' giving programs from the Taft Corporate Giving Directory.

### Other Items

For your convenience, I have included a checklist for recording your contacts with the corporations (see pocket). Finally, I have included my notes from contacting the organizations in case you have questions regarding the printed information.

B = top 25 business over 300M or more in sales  
 # = bank  
 I = insurance  
 has Major already

MAJOR MASSACHUSETTS COMPANIES  
 RANKED BY NUMBER OF EMPLOYEES  
 (From Dun's Business Rankings - 1988)

COMPANY SIC	ADDRESS	CITY	ZIP	PHONE	# OF EMP.	EMP. AT THIS LOCAT.	SALES
B DIGITAL EQUIPMENT CORP. 3573	146 Main Street	Maynard	01754	(617) 897-5111	95,000	5,000	7,590,000
B SHERATON CORP. 7011	60 State Street	Boston	02109	(617) 367-3600	93,000	180	500,000
B RAYTHEON COMPANY 3662	141 Spring Street	Lexington	02173	(617) 862-6600	76,100	500	6,400,000
B ZAYRE CORP. 5311	770 Cochituate Road	Frammingham	01701	(518) 620-5000	63,500	2,000	4,030,000
B STOP & SHOP COMPANIES, INC. 5411	P.O. Box 369	Boston	02101	(617) 770-8000	46,000	300	3,680,000
B GILLETTE COMPANY 3421	Prudential Tower Bldg.	Boston	02199	(617) 421-7000	30,000	1,250	2,400,000
B WANG LABORATORIES, INC. 3573	One Industrial Avenue	Lowell	01851	(518) 459-5000	30,000	5,000	2,640,000
B NEW ENGLAND TELE. & TELG. CO. 4811	185 Franklin Street	Boston	02107	(617) 743-9800	26,900	2,000	3,250,000
B FRIENDLY ICE CREAM CORP. 5812	1855 Boston Road	Wilbraham	01095	(413) 543-2400	26,000	800	536,000
B EG&G, INC. 7391	45 William Street	Wellesley	02181	(617) 237-5100	22,500	120	1,170,000
B LIBERTY MUTUAL INSURANCE CO. I 6331	175 Berkeley Street	Boston	02117	(617) 357-9500	21,000	2,400	NA
B BANK OF BOSTON CORP. 6025	100 Federal Street	Boston	02110	(617) 434-2200	20,000	7,000	NA
B JOHN HANCOCK MUTL. LF. INS. CO. 6311	John Hancock Place	Boston	02117	(617) 421-6000	20,000	7,000	NA
B DATA GENERAL CORP. 3573	4400 Computer Drive	Westboro	01580	(518) 366-8911	16,500	3,000	1,230,000
B NORTON COMPANY 3291	One New Bond Street	Worcester	01606	(518) 795-5000	15,200	3,700	1,200,000
B BANK OF NEW ENGLAND CORP. 6025	28 State Street	Boston	02109	(617) 742-4000	14,800	4,800	NA
B T A D TECHNICAL SVCS. CORP. 8911	639 Massachusetts Avenue	Cambridge	02139	(617) 868-1650	14,400	160	300,000
B POLAROID CORP. 3861	549 Technology Square	Cambridge	02139	(617) 577-2000	13,500	2,700	1,290,000
B PAPA GINOS OF AMERICA, INC. 5812	600 Providence Hwy.	Dedham	02026	(617) 449-3300	13,000	180	120,000
B FIRST NATIONAL BANK 6025	100 Federal Street	Boston	02110	(617) 434-2200	12,800	4,000	NA
B KENDALL COMPANY 3842	1 Federal Street	Boston	02110	(617) 423-2000	12,300	618	994,000
B GENERAL CINEMA CORP. 2086	27 Boylston Street	Newton	02167	(617) 232-8200	12,000	260	997,000
B M/A-COM, INC. 3662	7 New England Exec. Pk.	Burlington	01803	(617) 272-9600	11,500	60	577,000
B YAW'S SUPERMARKETS, INC. B 5411	140 Laurel Street	E. Bridgewater	02333	(518) 378-7211	10,600	700	1,200,000
B NORTHEAST UTILITIES 4911	174 Brush Hill Avenue	W. Springfield	01090	(413) 785-5871	9,230	1,500	2,030,000
B SPRAGUE ELECTRIC CO. 3675	92 Hayden Street	Lexington	02173	(617) 862-5500	9,100	50	466,000

COMPANY SIC	ADDRESS	CITY	ZIP	PHONE	# OF EMP.	EMP. AT THIS LOCAT.	SALE
B GROUND ROUND, INC. 5812	541 Main Street	South Weymouth	02190	(617) 331-7005	8,200	100	18,000
B PRIME COMPUTER, INC. 3573	Prime Park	Natick	01760	(518) 655-8000	8,110	1,000	769,000
I STATE MUTUAL LIFE ASRM. CO. 6311	440 Lincoln Street	Worcester	01605	(518) 852-1000	8,000	1,800	NA
B DENNISON MFG. CO. 2641	300 Howard Street	Framingham	01701	(518) 879-0511	7,960	3,000	684,000
B FOXBORO CO. 3573	Bristol Park	Forboro	02035	(518) 563-8750	7,600	4,500	572,000
? ABEX CORP. 3325	4800 Prudential Tower	Boston	02199	(617) 375-1200	7,500	70	685,000
? THE NEW ENGLAND 6311	501 Boylston Street	Boston	02117	(617) 578-2000	7,400	3,000	NA
B CABOT CORP. 2895	125 High Street	Boston	02154	(617) 890-0200	7,300	300	1,300,000
I MASSCHUSETTS MUTL. LF. INS. CO. 6311	1295 State Street	Springfield	01111	(413) 788-8411	6,590	2,820	NA
? TECHNICAL AID CORP. 7362	109 Oak St.	Newton	02164	(617) 969-3100	6,400	200	NA
V EASTERN GAS & FUEL ASSOC. 1211	1 Beacon Street	Boston	02108	(617) 742-9200	6,200	69	1,150,000
B STRIDE RITE CORP. 3149	5 Cambridge Center	Cambridge	02142	(617) 491-8800	6,000	500	277,000
FAY KAY-BEE TOY & HOBBY SHOPS, INC. 5945	Rte. 102	Lee	01238	(413) 243-2000	5,800	250	401,000
NA BANK OF NEW ENGLAND NA 6025	28 State Street	Boston	02109	(617) 742-4000	5,600	2,500	NA
B WILLIAM CARTER CO. 2341	963 Highland Ave.	Needham Height	02194	(617) 444-7500	5,500	450	211,000
? STATE STREET BOSTON CORP. 6025	255 Franklin St.	Boston	02110	(617) 786-3000	5,350	2,000	NA
B MORSE SHOE, INC. 5661	555 Turnpike Street	Canton	02021	(617) 828-9300	5,300	900	540,000
NEW ENGLAND ELECTRIC SYSTEM 4911	25 Research Dr.	Westboro	01582	(518) 366-9011	5,300	1,240	1,230,000
# SHAWMUT CORP. 6025	One Federal Street	Boston	02211	(617) 292-2000	5,190	2,100	NA
B ANALOG DEVICES, INC. 3573	2 Technology Way	Norwood	02062	(617) 329-4700	5,060	1,000	334,000
\$ NEW MEDICO HOLDING CO., INC. 6711	150 Lincoln St.	Boston	02111	(617) 426-4100	5,000	60	NA
B MILLIPORE CORP. 3569	80 Ashby Rd.	Bedford	01730	(617) 275-9200	4,860	935	332,000
B ST. JOHNSBURY TRUCKING CO. 4213	119 Jeffrey Ave.	Holliston	01746	(518) 429-5920	4,800	80	260,000
B COMPUTERVISION CORP. 3573	100 Crosby Dr.	Bedford	01730	(617) 275-1800	4,770	1,000	441,000
I JOHN HANCOCK SUBSIDIARIES, INC. 6711	John Hancock Place	Boston	02117	(617) 421-6000	4,700	1,700	NA
B SEABOARD CORP. 2041	200 Boylston St.	Newton	02167	(617) 332-8492	4,500	35	252,000
SEABOARD FLOUR CORP. 2041	200 Boylston St.	Newton	02167	(617) 332-8492	4,500	35	252,000
U BOSTON EDISON CO. 4911	800 Boylston St.	Boston	02199	(617) 424-2000	4,400	1,500	1,100,000
B CHILD WORLD, INC. 5945	25 Littlefield St.	Avon	02322	(518) 588-7300	4,000	350	513,000
B STANHOME, INC. 3991	333 Western Ave.	Westfield	01085	(413) 562-3631	4,380	90	327,000

COMPANY SIC	ADDRESS	CITY	ZIP	PHONE	# OF EMPL.	EMP. AT THIS LOCAT.	SALES
B TERADYNE, INC. 3825	321 Harrison Ave.	Boston	02118	(617) 482-2700	4,300	800	336,000
F COMPUGRAPHIC CORP. 3555	200 Ballardvale St.	Wilmington	01887	(518) 658-5600	4,250	550	341,000
B DAKA, INC. 7392	5 Lakeside Office Park	Wakefield	01880	(617) 246-2525	4,000	90	127,000
B THERMO ELECTRON CORP. 3567	101 First Ave.	Waltham	02154	(617) 890-8700	3,800	300	234,000
B AUGAT, INC. 3679	89 Forbes Blvd.	Mansfield	02048	(518) 543-4300	3,700	100	255,000
B AFFILIATED PUBLICATIONS 2711	135 Morrissey Blvd.	Boston	02125	(617) 929-2000	3,500	2,700	401,000
B APOLLO COMPUTER, INC. 3573	330 Billerica Rd.	Chelmsford	01824	(518) 256-6600	3,300	250	295,000
F STATE STREET BANK & TRUST CO. 6022	225 Franklin St.	Boston	02110	(617) 786-3000	3,300	1,100	NA
B APPAREL RETAIL CORP. 5137	155 Bay State Dr.	Braintree	02184	(617) 848-7500	3,000	300	160,000
B GLOBE NEWSPAPER COMPANY 2711	135 Wm. T. Morrissey Blvd.	Boston	02125	(617) 929-2000	3,000	2,500	380,000
B KENNER PARKER TOYS, INC. 3944	50 Dunham Rd.	Beverly	01915	(518) 927-7600	2,960	100	336,000
B CONTINENTAL CABLEVISION, INC. 4899	Pilot House, Lewis Wharf	Boston	02110	(617) 742-9500	2,800	50	365,000
B TILLOTSON CORP. 3069	59 Waters Ave.	Everett	02149	(617) 387-9400	2,800	40	114,000
B HEALTHCO INTL., INC. 5086	11-25 Stuart St.	Boston	02116	(617) 423-6045	2,750	150	307,000
B TERRY'S DEPARTMENT STORES, INC. 5311	35 Congress St.	Salem	01970	(518) 741-1400	2,700	140	180,000
B UNITRODE CORP. 3674	5 Forbes Rd.	Lexington	02173	(617) 861-6540	2,700	80	167,000
B PAUL REVERE LIFE INS. CO. 6311	18 Chestnut St.	Worcester	01608	(518) 799-4441	2,690	1,230	NA
B ACUSHNET CO. 3949	700 Belleville Ave.	New Bedford	02742	(518) 997-2811	2,600	1,900	270,000
B ARTHUR D. LITTLE, INC. 7391	25 Acorn Pk.	Cambridge	02140	(617) 864-5770	2,600	1,300	232,000
B WYMAN GORDON CO. 3463	105 Madison St.	Worcester	01613-0789	(518) 756-5111	2,600	2,000	384,000
B COMMONWEALTH ENERGY SYSTEM 4911	One Main St.	Cambridge	02142-9150	(617) 225-4000	2,510	315	612,000
B J. BAKER, INC. 5661	65 Sprague St.	Boston	02137	(617) 364-3000	2,500	200	165,000
B BEACON COMPANIES 1522	One Post Office Sq.	Boston	02109	(617) 451-2100	2,500	125	30,000
B IDLE WILD FOODS, INC. 2011	256 Franklin St.	Worcester	01604	(518) 757-7761	2,500	11	921,000
B OCEAN SPRAY CRANBERRIES, INC. 2033	225 Water St.	Plymouth	02360	(518) 747-1000	2,500	350	531,000
B SHAWMUT BANK NA 6025	One Federal St.	Boston	02211	(617) 292-2000	2,500	1,000	NA
B UNIFIRST CORP. 7218	15 Olympia Ave.	Hoburn	01888	(617) 933-5800	2,500	200	114,000
B WHHERE, INC. B 3311	275 Wildwood St.	Hoburn	01801	(617) 935-8320	2,460	500	475,000
B FIRST SECURITY SVCS. CORP. 7393	393 D. St./Trafalgar Sq.	Boston	02210	(617) 269-8700	2,400	50	33,000
B H.P. HOOD, INC. 2026	500 Rutherford Ave.	Boston	02129	(617) 242-0600	2,400	1,000	525,000

SIC	ADDRESS	CITY	ZIP	PHONE	# OF EMP.	EMP. AT THIS LOCAT.	SALES
SWANK, INC. 3911	6 Hazel St.	Attleboro	02703	(518) 222-3400	2,400	1,100	137,000
CML GROUP, INC. 5961	524 Main St.	Acton	01720	(518) 264-4155	2,300	12	10
DYNATECH CORP. 3841	3 New England Exec. Pk.	Burlington	01803	(617) 272-3304	2,300	25	256,000
GUILFORD TRANSP. INDUST. 6711	53 State St./Exchange Pl.	Boston	02109	(617) 523-1980	2,250	350	NA
GENRAD, INC. 3825	300 Baker Ave.	Concord	01742	(518) 369-4400	2,240	925	218,000
BARRY WRIGHT CORPORATION 2522	One Newton Exec. Pk.	Newton	02162	(617) 965-5800	2,230	43	196,000
NORTHEAST APPAREL, INC. 5621	1 Northeast Way	Braintree	02184	(617) 848-8804	2,200	175	105,000
L.S. STARRETT CO., INC. 3545	121 Crescent St.	Athol	01331	(518) 249-3551	2,200	1,400	123,000
SONESTA INTL. HOTELS CORP. 7011	200 Clarendon St.	Boston	02116	(617) 421-5400	2,150	50	64,900
BOLT, BERANEK & NEWMAN, INC. 8911	10 Faucett St.	Cambridge	02138	(617) 491-1850	2,140	1,200	178,000
PERINI CORP. 1622	73 Mt. Wayte Ave.	Frammingham	01701	(518) 875-6171	2,100	225	801,000
CLIFTEX CORP. 2311	194 Riverside Ave.	New Bedford	02746	(518) 999-1311	2,000	200	80,000
HOUGHTON MIFFLIN CO. 2731	One Beacon St.	Boston	02108	(617) 725-5000	2,000	776	321,000
CULLINET SOFTWARE, INC. 7372	400 Blue Hill Dr.	Westwood	02090	(617) 329-7700	1,870	850	174,000
MASSACHUSETTS ELECTRIC CO. 4911	25 Research Dr.	Westboro	01582	(518) 366-9011	1,870	8	94
ANALOGIC CORP. 3823	8 Centennial Dr.	Peabody	01960	(518) 246-0300	1,850	650	136,000
KNAPP SHOES, INC. 3143	1 Knapp Center	Brockton	02401	(518) 588-9000	1,800	400	84,300
NEW ENGLAND BUSINESS SERVICE 2761	500 Main St.	Groton	01450	(518) 448-6111	1,800	800	188,000
MONARCH CAPITAL CORP. 6311	One Financial Plaza	Springfield	01102-9002	(413) 781-3000	1,780	40	NA
ADAMS-RUSSELL ELECTRONICS, INC. 3662	1380 Main St.	Waltham	02154	(617) 894-8540	1,750	45	113,000
COURIER CORP. 2741	165 Jackson St.	Lovell	01852	(518) 458-6351	1,750	40	122,000
CAMP, DRESSER & MC KEE, INC. 8911	1 Center Plaza	Boston	02108	(617) 742-5151	1,700	1,300	190,000
HIGH VOLTAGE ENGINEERING CORP. 3823	101 South Bedford St.	Burlington	01803	(617) 272-1313	1,660	100	92,000
UNICCO SERVICE CORP. 7349	41 Munroe St.	Cambridge	02142	(617) 864-9222	1,600	1,100	NA
DUNKIN DONUTS, INC. 5812	Pacella Park Dr.	Randolph	02368	(617) 961-4000	1,550	180	104,000
MALDEN MILLS INDUSTRIES, INC. 2221	46 Stafford St.	Lawrence	01841	(518) 685-6341	1,540	1,100	164,000
ARLEY MERCHANDISE CORP. 2391	540 Miles Standish Blvd.	Taunton	02780	(518) 822-7133	1,500	60	140,000
WESTWOOD GROUP, INC. 7948	190 VFW Pky.	Revere	02151	(617) 284-1300	1,500	10	26
JOHN HANCOCK FREEDOM SECURITIES 6211	1 Beacon Street	Boston	02108	(617) 725-2000	1,450	5	NA
NEW ENGLAND POWER SERVICE CO. 1623	25 Research Dr.	Westboro	01582	(518) 366-9011	1,450	1,450	91,500

COMPANY SIC	ADDRESS	CITY	ZIP	PHONE	# OF EMP.	EMP. AT THIS LOCAT.	SALES
B LOTUS DEVELOPMENT CORP. 7372	55 Cambridge Pky.	Cambridge	02142	(617) 577-8500	1,420	975	225,000
D ADDISON-WESLEY PUBLISHING CO. B 2731	Jacob Way	Reading	01867	(617) 944-3700	1,400	500	150,000
CHELSEA INDUSTRIES, INC. 3079	1360 Soldiers Field Rd.	Boston	02135	(617) 787-9010	1,400	20	179,000
? PUTNAM COS., INC. 6211	One Post Office Sq.	Boston	02109	(617) 292-1011	1,400	800	NA
ALPHA INDUSTRIES, INC. 3674	20 Sylvan Rd.	Woburn	01801	(617) 935-5150	1,370	600	70,900
BROCKTON HEALTH CORP. 6711	680 Centre St.	Brockton	02402	(518) 586-2600	1,370	1,370	NA
ERVING PAPER MILLS 2621	Arch St./P.O. Box 158	Erving	01344	(413) 544-2711	1,300	80	109,000
SUBURBAN CONTRACT CLEANING CO. 7349	158 Park Ave. W.	South Weymouth	02190	(617) 331-2200	1,300	35	NA
WATTS INDUSTRIES, INC. 3496	Rt. 114 E. Chestnut St.	North Andover	01845	(518) 688-1811	1,300	8	137,000
WATTS REGULATOR CO. 3822	10 Embankment St.	Lawrence	01842	(518) 688-1811	1,300	126	124,000
MONARCH LIFE INSURANCE 6311	1250 State St.	Springfield	01109	(413) 785-5811	1,270	607	NA
TOWN & COUNTRY JEWELRY MFG. 3911	25 Union St.	Chelsea	02150	(617) 884-8500	1,250	155	107,000
COMPUTER CONSOLES, INC. 7372	950 Winter St.	Waltham	02154	(617) 890-0708	1,230	700	111,000
BIRD, INC. 2952	Washington St.	East Walpole	02032	(518) 668-2500	1,210	20	191,000
ROSE CORP. 3651	The Mountain	Framingham	01701	(518) 879-7330	1,200	700	131,000
MASS. ELECTRIC CONST. CO. 1731	287 Western Ave.	Boston	02134	(617) 254-1015	1,200	750	100,000
NYPRO, INC. 3079	101 Union St.	Clinton	01510	(518) 365-9721	1,200	800	5,150
B WELCH FOODS, INC. 2033	101 Main St.	Concord	01742	(518) 371-1000	1,190	60	269,000
LTX CORP. 3825	LTX Pk. at Univ. Ave.	Westwood	02090	(617) 329-7550	1,170	600	95,400
BOWMAR INSTRUMENTS CORP. 3931	531 Main St.	Acton	01720	(518) 263-8365	1,150	8	54,400
U EASTERN UTILITIES ASSOC. 4911	One Liberty Sq.	Boston	02109	(617) 357-9590	1,110	25	9,340,000
AMERICAN BILTRITE, INC. 3069	57 River St.	Wellesley	02181	(617) 237-6655	1,100	9	110,000
CHARLES RIVER LABS., INC. 0279	251 Ballardvale St.	Wilmington	01887	(518) 658-6000	1,100	400	85,000
REEBOK INTL. LTD. 3149	150 Royall St.	Canton	02021	(617) 821-2800	1,100	400	306,000
DURO INDUSTRIES, INC. 2262	110 Chace St.	Fall River	02724	(518) 675-0101	1,050	332	50,000
INSTROM CORP. 3829	100 Royall St.	Canton	02021	(617) 828-2500	1,050	420	87,300
BOSTON & MAINE CORP. 4011	Iron Horse Pike	Billerica	01862	(518) 663-1051	1,030	250	118,000
# HOMEOWNERS FDL. SVGS. & LN. ASSN. 122	21 Milk St.	Boston	02109	(617) 482-0630	1,020	400	NA
DYNAMICS RESEARCH CORP. 7379	50-60 Concord St.	Wilmington	01887	(518) 658-6100	1,000	650	62,300
OFFICIAL INDUSTRIES, INC. 3143	100 Perkins Ave.	Brockton	02402	(518) 583-5000	1,000	15	26,000

SIC	ADDRESS	CITY	ZIP	PHONE	# OF EMP.	AT THIS LOCAT.	SALES
SOMERVILLE LUMBER & SUPPLY CO. 5031	281 Winter St.	Waltham	02154	(617) 623-2800	1,000	350	124,000
CRANE & CO., INC. 2621	30 South St.	Dalton	01226	(413) 684-2600	975	725	106,000
W.E. AUBUCHON CO. INC. 5251	95 Aubuchon Dr.	Westminster	01473	(518) 874-0521	950	108	75,000
RIX DUNNINGTON, INC. 5912	84 Rowe St.	Newton	02166	(617) 969-4200	950	150	71,000
WRIGHT LINE, INC. 2522	160 Gold Star Blvd.	Worcester	01606	(518) 852-4300	950	500	100,000
SYMBOLICS, INC. 3573	555 Virginia Rd.	Concord	01742	(518) 259-3600	850	100	114,000
WM. E. WRIGHT CO., INC. 2396	South St.	West Warren	01092	(413) 436-7732	835	700	48,200
NEW ENGLAND POWER CO. 4911	25 Research Dr.	Westboro	01582	(518) 366-9011	814	18	980,000
GRIECO BROS., INC. 2311	50 Island St.	Lawrence	01840	(518) 686-3833	800	750	26,400
L & C P CORP. 2641	156 Oak St.	Newton	02164	(617) 527-4980	780	300	85,000
STRATUS COMPUTER, INC. 3573	55 Fairbanks Blvd.	Marlboro	01752	(518) 460-2000	775	600	42,100
BAIRD CORP. 3811	125 Middlesex Tpk.	Bedford	01730	(617) 276-6000	750	500	54,200
EPSILON DATA MGMT., INC. 7374	1 New England Exec. Pk.	Burlington	01803	(617) 273-0250	750	700	53,200
REED & BARTON 3914	144 Britannia St.	Taunton	02780	(518) 824-6611	750	520	63,600
ROBERTSON FACTORIES, INC. 2391	33 Chandler Ave.	Taunton	02780	(518) 823-5141	750	90	315,000
SHIPLEY CO., INC. 2819	2300 Washington St.	Newton	02162	(617) 969-5500	750	300	115,000
BIRD MACHINE CO., INC. 3569	100 Neponset St.	South Walpole	02071	(518) 668-0400	730	525	66,000
GULF RESOURCES & CHEM. CORP. 1211	99 High St., 16th Fl.	Boston	02110	(617) 482-2555	700	15	155,000
F.L. ROBERTS & CO., INC. 5541	3300 Main St.	Springfield	01107	(413) 781-7444	700	60	119,000
REECE CORP. 3636	800 South Street	Waltham	02154	(617) 894-9220	685	30	55,200
IONICS, INC. 2821	65 Grove St.	Watertown	02172	(617) 926-2500	675	325	68,700
AVCO RESEARCH LAB, INC. 7391	2385 Revere Beach Pky.	Everett	02149	(617) 389-3000	650	542	57,200
FAXON CO., INC. 5199	15 SW Industrial Pk.	Westwood	02090	(617) 329-3350	650	525	247,000
GERRITY ENTERPRISES, INC. 5031	90 Oak St.	Newton	02164	(617) 244-1400	650	35	160,000
HARVEY INDUSTRIES, INC. 5039	43 Emerson Rd.	Waltham	02154	(617) 899-3500	650	50	86,400
MASSACHUSETTS COMPUTER CORP. 3573	One Technology Pk.	Westford	01886	(518) 692-6200	650	525	50,900
SIPPICAN, INC. 3811	Barnebas Rd.	Marion	02738	(518) 748-1160	650	648	49,700
INTERMETRICS, INC. 7372	733 Concord Ave.	Cambridge	02138	(617) 661-1840	640	205	47,700
MORGAN CONSTRUCTION 3547	15 Belmont St.	Worcester	01605-2664	(518) 755-6111	640	300	58,500
HOLLINGSWORTH & VOSE CO. 2621	112 Washington St.	East Walpole	02032	(518) 668-0295	632	195	100,000

COMPANY SIC	ADDRESS	CITY	ZIP	PHONE	# OF EMP.	EMP. AT THIS LOCAT.	SALES
BILTRITE CORP. 3131	Sawyer Rd.	Waltham	02154	(617) 647-5340	600	50	60,000
CONTINENTAL WINGATE CO., INC. 1522	75 Central St.	Boston	02109	(617) 574-9669	600	75	33,000
SYRATECH CORP. 6711	175 McClellan Hwy.	Boston	02120	(617) 561-2200	600	15	NA
T B S GROUP, INC. 7392	33 Hayden Ave.	Lexington	02173	(617) 861-7580	600	12	46,000
PACKAGE MACHINERY CO. 3551	330 Chestnut St.	E. Longmeadow	01028	(413) 525-6441	577	304	50,200
TUCKER HOUSEWARES, INC. 3079	345 Central St.	Leominster	01453	(518) 537-1621	575	260	96,000
SEMICON, INC. 3674	15 New England Exec. Pk.	Burlington	01803	(617) 229-6290	572	3	30,500
SOFTTECH, INC. 7372	460 Totten Pond Rd.	Waltham	02154	(617) 890-6900	564	220	45,100
AMERICAN CLEANING CO., INC. 7349	48 Brookline St.	Cambridge	02139	(617) 547-5090	550	550	NA
ASTRA PHARMACEUT. PRODS., INC. 2834	50 Otis St.	Westboro	01581	(518) 366-1100	550	550	148
CAMBRIDGE ST. METAL CO., INC. 5051	500 Lincoln St.	Boston	02134	(617) 254-7580	550	50	220,000
N F A CORP. 2241	400 Eastern Ave.	Chelsea	02150	(617) 884-2400	550	3	30,000
PARLEX CORP. 3679	145 Milk St.	Methuen	01844	(518) 685-4341	550	520	29,300
AMOSKEAG CO. 4011	Prudential Ctr./Ste. 4500	Boston	02199-4599	(617) 262-4000	541	17	1,120,000
ARITECH CORP. 3662	25 Newbury St.	Framingham	01701	(518) 620-0800	530	390	103,000
ADDITIONAL TECHNICAL SUPPORT 7369	1050 Waltham St.	Lexington	02173	(617) 863-2090	500	83	NA
FLEXCON CO., INC. 3079	S. Spencer Rd.	Spencer	01562	(518) 885-3973	500	450	80,000
HANDY & HARMAN ELECT. MATLS. CORP. 3469	72 Elm St.	N. Attleboro	02760	(518) 695-1401	500	500	45,500
MICROAMERICA, INC. 5081	33 Boston Post Rd., W.	Marlboro	02760	(518) 695-1401	500	70	159,000
PLYMOUTH RUBBER CO., INC. 3069	104 Revere St.	Canton	02021	(617) 828-0220	500	480	60,400
SYLVANIA LIGHTING SVS., CORP. 7349	100 Endicott St.	Danvers	01923	(518) 777-1900	500	100	NA
H.K. WEBSTER CO., INC. 2048	10-34 West St.	Lawrence	01842	(518) 686-4131	500	40	117,000
J.F. WHITE CONTRACTING CO. 1611	1 Gateway Center	Newton	02160	(617) 964-4131	500	100	60,000
KEANE, INC. 7374	10 City Sq.	Boston	02129	(617) 241-9200	490	120	40,300
SEMCO INDUSTRIES, INC. 2752	90 Hayes Way	Stoughton	02072	(617) 961-3660	485	65	34,100
U.S. WINDPOWER, INC. 3523	160 Wheeler Rd.	Burlington	01803	(617) 273-4502	470	20	84,600
GARLAND CORP. 2253	33 Dover St.	Brockton	02401	(518) 583-4600	465	31	30,000
EUDENBERG MWVNS LTD. PARTNERSHIP 297	20 Industrial Ave.	Chelmsford	01824	(518) 454-0461	450	50	72,200
GROUNDWATER TECHNOLOGY, INC. 7392	220 Norwood Pk., S.	Norwood	02062	(617) 769-7600	433	85	37,100
AMSTELLAND HOLDING USA, INC. 5074	3 Riverside Dr., Ste. 240	Andover	01810	(518) 207-4799	425	400	88,800



COMPANY SIC	ADDRESS	CITY	PHONE	EMP. OF EMP.	EMP. - AT THIS LOCAT.	SALES
MERCHANTS TIRE CO., INC. 5014	1249 Boylston St.	Boston	02215 (617) 267-9200	265	100	130,000
AGRI-MARK, INC. 2026	Milk St.	Methuen	01844 (518) 689-4442	250	25	300,000
LILY TRUCK LEASING 7513	1280 Soldiers Field Rd.	Boston	02134 (617) 254-2120	250	40	45,000
GEORGE B.H. MACOMBER CO. 1542	530 Atlantic Ave.	Boston	02134 (617) 254-2120	250	225	110,000
NICKERSON LUMBER CO. 5211	Main St.	Orleans	02653 (518) 255-0200	250	75	50,000
BOYD CORP. 5064	112 Commerce Way	Hoburn	01801 (617) 935-9165	230	100	55,000
JAMES W. DALY, INC. 5122	11 Centennial Dr.	Peabody	01960 (518) 532-6900	220	220	212,000
MATTAPAN SUPPLY CO. 5074	48 Babson St.	Boston	02126 (617) 296-6900	210	30	50,000
UNITED TRUCK LEASING CORP. 7513	77 Roc Sam Pk. Rd.	Braintree	02184 (617) 848-5600	210	95	40,000
GERBER BROTHERS, INC. 5194	Kay Way at Rt. 139	Randolph	02368 (617) 341-0800	200	130	110,000
CHARLES GILMAN & SONS, INC. 5182	60 Hall St.	Medford	02155 (617) 391-0500	200	80	90,000
OFFICES UNLIMITED, INC. 5021	309 Andover St.	Lawrence	01843 (518) 683-8820	200	125	48,000
WORCESTER CONTROLS CORP. 3494	33 Locke Dr.	Marlboro	01752 (518) 481-4800	200	80	50,000
ALBERT H. NOTINI & SONS, INC. 5194	225 Alken St.	Lovell	01854 (518) 454-9183	195	122	124,000
HAARTZ CORP. 2295	Hayward Rd.	Acton	01720 (518) 263-2741	190	190	300,000
COGNOS CORP. 5081	2 Corporate Pl.	Peabody	01960 (518) 535-7350	170	50	251,000
PAUL BARROW CO., INC. 5133	5 Dan Rd.	Canton	02021 (617) 828-6750	165	100	93,700
GRANGER MANAGEMENT CORP. 1542	415 Boston Tpk.	Shrewsbury	01545 (518) 842-8961	150	30	84,900
MASSACHUSETTS LUMBER CO. 5031	929 Massachusetts Ave.	Cambridge	02139 (617) 354-6000	140	6	51,000
P.F. O'CONNOR, INC. 5211	150 Wood Rd.	Braintree	02184 (617) 848-8190	132	23	64,900
ARTTED CO., INC. 3677	50 Warehouse St.	Springfield	01118 (413) 734-7389	125	125	38,000
PRUDENTIAL METAL SUPPLY CORP. 5039	171 Milton St.	East Dedham	02026 (617) 329-3232	110	45	55,000
A.R. SANDRI, INC. 5172	400 Chapman St.	Greenfield	01301 (413) 773-3658	101	101	116,000
ABERTHAW CONSTRUCTION CO. 1542	60 State St.	Boston	02109 (617) 722-8300	100	31	100,000
FURMAN LUMBER, INC. 5031	108 Massachusetts Ave.	Boston	02115 (617) 267-8700	100	100	239,000
GOLD SEAL RUBBER CO. 5139	65 Sprague St.	Boston	02137 (617) 361-1200	100	98	101,000
BELCHER NEW ENGLAND, INC. 5171	222 Lee Burbank Hwy.	Revere	02151 (617) 284-4490	95	80	578,000
HOLMES PRODUCTS CORP. 3634	7 October Hill Rd.	Holliston	01746 (518) 429-8601	95	40	65,000
B GEORGE E. WARREN CORP. 5172	50 Milk St.	Boston	02109 (617) 451-2300	90	45	2,040,000
SCHANBEL CORP. 5064	281 Albany St.	Cambridge	02139 (617) 492-2100	80	80	50,900

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WESTCO CORP. 5074	3 Riverside Dr., Ste. 240	Andover	01801	(518) 638-6222	425	15	86,600
ADAGE, INC. 8573	One Fortune Dr.	Billerica	01821	(518) 667-7070	423	275	42,500
INTERFACE GROUP, INC. 4722	300 First Ave.	Needham Height	02194	(617) 449-6600	410	300	100,000
JOAN & DAVID HELPERN, INC. 5139	1935 Revere Beach Pkwy.	Everett	02149	(617) 387-5005	405	4	58,800
JOHN E. CAIN 2099	Cains Corner	Ayer	01432	(513) 772-0300	400	60	73,000
H.A. FAFARD AND SONS CONST. 1522	290 Eliot St.	Ashland	01721	(518) 881-1600	400	393	65,000
VAPPI & COS., INC. 1541	240 Sidney St.	Cambridge	02139	(617) 661-8200	400	200	91,000
VERTIPILE, INC. 2295	941 Grinnell St.	Fall River	02721	(617) 678-1951	400	125	118,000
XTRA, INC. 7394	541 Main St.	Weymouth	02090	(617) 367-5000	400	70	165,000
TRINITAS, CORP. 2041	541 Main St.	Weymouth	02090	(617) 328-4400	396	396	89,400
HOWES LEATHER CO., INC. 3111	1 Battermarch Pk.	Quincy	02169	(617) 770-3900	395	18	55,000
F.W. WEBB CO. 5074	200 Middlesex Tpk.	Burlington	01803	(617) 272-6600	380	48	79,100
CAMBRIDGE-LEE INDUSTRIES, INC. 5051	500 Lincoln St.	Boston	02134	(617) 783-3100	375	80	206,000
J.L. HAMMETT CO. 2531	Hammett Pl.	Braintree	02184	(617) 848-1000	375	165	55,100
MEFINET, INC. 173	40 High St.	Andover	01810	(518) 681-0600	360	250	42,000
IMPERIAL DISTRIBUTORS, INC. 5122	33 Sword St.	Auburn	01501	(518) 756-5156	355	205	52,700
ARMATRON, INTL., INC. 3651	2 Main St.	Melrose	02176	(617) 321-2300	350	350	59,500
BOSTON SAND AND GRAVEL CO. 3273	169 Portland St.	Boston	02114	(617) 227-9000	350	25	65,000
FACEMATE CORP. 2396	5 W. Main St.	Chicopee	01020	(413) 594-6661	350	250	44,000
MILLBROOK DISTRIBUTORS, INC. 5122	Rt. 56	Leicester	01524	(518) 892-8171	350	225	94,000
PERSTOP, INC. 3079	238 Nonotuck St.	Florence	01060	(413) 584-9522	350	150	65,100
WHITEHALL CO., LTD. 5182	750 Everett St.	Norwood	02062	(617) 769-6500	320	158	92,000
AGAR SUPPLY CO., INC. 5147	1100 Massachusetts Ave.	Boston	02125	(617) 442-8989	300	100	204,000
AMERICAN TEXTILE CO., INC. 5133	55 Cabot Blvd.	Mansfield	02048	(518) 339-9151	300	200	95,000
EASTON FINANCIAL CORP. 7394	27 Hollis St.	Framingham	01701	(518) 620-0099	300	60	41,400
GENERAL LATEX & CHEMICAL CORP. 3069	675 Massachusetts Ave.	Cambridge	02139	(617) 576-8000	300	65	88,000
O B C, INC. 1542	1 Heritage Dr.	Quincy	02169	(617) 328-0055	300	35	75,000
EL O'CONNELLS SONS, INC. 1	480 Hampden St.	Holyoke	01041-0267	(413) 534-5667	300	85	82,000
BROCKTON WHOLESALE BEVERAGE CO. 5182	12-20 N. Montello St.	Brockton	02401	(518) 587-0411	285	200	83,200
ROSECRAFT, INC. 5094	81 John Dietsch Blvd.	Attleboro Fall	02763	(518) 695-4400	275	125	61,400

SIC	ADDRESS	CITY	ZIP	PHONE	# OF EMP.	AT THIS LOCAT.	SALES
AMETEX FABRICS, INC. 5133	55 Cabot Blvd.	Mansfield	02048	(518) 339-9151	75	3	56,000
C M J BUILDERS, INC. 1522	One Heritage Dr.	Quincy	02169	(617) 328-3100	75	71	100,000
COLUMBIA CONSTRUCTION CO. 7392	58 Concord St.	North Reading	01864	(518) 944-5900	75	75	40,000
JAMES BRUDNICK CO., INC. 5122	219 Medford St.	Malden	02148	(617) 321-6800	70	70	112,000
C S A FINANCIAL CORP. 7394	2 Oliver St.	Boston	02109	(617) 482-4671	70	65	76,000
CHANCELLOR CORP. 7513	Federal Reserve Plaza	Boston	02109	(617) 482-8726	70	55	40,000
N A D ELECTRONICS, INC. 3651	10 Lewis St.	Lincoln	01773	(617) 769-7050	65	7	40,000
LAWRENCE R. MCCOY & CO., INC. 5031	120 Front St.	Worcester	01608	(518) 798-7575	64	45	74,000
U DISTRIGAS OF MASSACHUSETTS, INC. 5172	125 High St.	Boston	02110	(617) 423-6000	60	30	197,000
MAC C. GRANT 1531	373 Commonwealth Ave.	Boston	02115	(617) 267-8699	60	60	55,000
FIRST SOFTWARE CORP. 5081	13 Branch St.	Methuen	01844	(518) 689-0077	53	53	130,000
B FIRST PETROLEUM CORP. 5171	800 South St.	Waltham	02154	(617) 891-4000	50	35	1,500,000
LEXINGTON TOYOTA, INC. 5511	409 Massachusetts Ave.	Lexington	02173	(617) 861-7400	42	42	140,000
KEY OF BOSTON, INC. 5064	126 Grove St.	Franklin	02038	(518) 528-4500	25	25	62,000
NEW ENGLAND FARMS PACKING CO. 0723	84 New Eng. Produce Ctr.	Chelsea	02150	(617) 889-3800	20	20	73

Addison-Wesley Publishing Co.  
Affiliated Publications - See Boston Globe  
Ames Department Stores  
Analog Devices, Inc.  
Apparel Retail Corp.  
Apollo Computer, Inc./Hewlett Packard  
Arthur D. Little, Inc.  
Augat, Inc.  
Boston & Maine Corp.  
Cabot Corp.  
Camp, Dresser & McKee, Inc.  
Child World, Inc.  
Computervision Corp. (See Prime Computer)  
Continental Cablevision, Inc.  
Data General Corp.  
Dennison Manufacturing Co.  
Digital Equipment Corp.  
Dunkin' Donuts, Inc.  
EG&G, Inc.  
First Petroleum Corp.  
The Foxboro Company  
General Cinema Corp.  
George E. Warren Corp.  
Globe Newspaper Company  
Ground Round, Inc.  
J.L. Hammett Co.  
Healthco Intl., Inc.  
H.P. Hood, Inc.  
Houghton Mifflin Co.  
Kendall Company  
Kenner Parker Toys, Inc.  
Lechmere, Inc.  
Lotus Development Corp.  
Millipore Corp.  
Morse Shoe, Inc.  
New England Tele. & Telg. Co.  
Ocean Spray Cranberries, Inc.  
Prime Computer, Inc.  
Raytheon Company  
Reebok International, Ltd.  
Seaboard Corp.  
Shaws Supermarkets, Inc.  
Sheraton Corp.  
St. Johnsbury Trucking Co.  
Stop & Shop Companies, Inc.  
Sprague Electric Co.  
Stride Rite Corp.  
Teradyne, Inc.  
Thermo Electron Corp.  
Wang Laboratories, Inc.  
Welch Foods, Inc.  
William Carter Co.

Letter Sent   Reply Rec'd   Follow Up Call

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Addison-Wesley Publishing Co.  
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Affiliated Publications - See Boston Globe  
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Ames Department Stores  
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Analog Devices, Inc.  
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Apparel Retail Corp.  
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Apollo Computer, Inc./Hewlett Packard  
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Arthur D. Little, Inc.  
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Augat, Inc.  
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Boston & Maine Corp.  
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Cabot Corp.  
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Camp, Dresser & McKee, Inc.  
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Child World, Inc.  
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Computervision Corp. (See Prime Computer)  
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Continental Cablevision, Inc.  
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Data General Corp.  
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Dennison Manufacturing Co.  
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Digital Equipment Corp.  
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Dunkin' Donuts, Inc.  
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EG&G, Inc.  
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First Petroleum Corp.  
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The Foxboro Company  
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General Cinema Corp.  
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George E. Warren Corp.  
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Globe Newspaper Company  
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Ground Round, Inc.  
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J.L. Hammett Co.  
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Letter Sent   Reply Rec'd   Follow Up Call

Healthco Intl., Inc.	/	/	/	/
H.P. Hood, Inc.	/	/	/	/
Houghton Mifflin Co.	/	/	/	/
Kendall Company	/	/	/	/
Kenner Parker Toys, Inc.	/	/	/	/
Lechmere, Inc.	/	/	/	/
Lotus Development Corp.	/	/	/	/
Millipore Corp.	/	/	/	/
Morse Shoe, Inc.	/	/	/	/
New England Tele. & Telg. Co.	/	/	/	/
Ocean Spray Cranberries, Inc.	/	/	/	/
Prime Computer, Inc.	/	/	/	/
Raytheon Company	/	/	/	/
Reebok International, Ltd.	/	/	/	/
Seaboard Corp.	/	/	/	/
Shaws Supermarkets, Inc.	/	/	/	/
Sheraton Corp.	/	/	/	/
St. Johnsbury Trucking Co.	/	/	/	/
Stop & Shop Companies, Inc.	/	/	/	/
Sprague Electric Co.	/	/	/	/
Stride Rite Corp.	/	/	/	/
Teradyne, Inc.	/	/	/	/
Thermo Electron Corp.	/	/	/	/
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Analog Devices, Inc.  
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Apparel Retail Corp.  
-----/-----/-----/-----/-----/  
Apollo Computer, Inc./Hewlett Packard  
-----/-----/-----/-----/-----/  
Arthur D. Little, Inc.  
-----/-----/-----/-----/-----/  
Augat, Inc.  
-----/-----/-----/-----/-----/  
Boston & Maine Corp.  
-----/-----/-----/-----/-----/  
Cabot Corp.  
-----/-----/-----/-----/-----/  
Camp, Dresser & McKee, Inc.  
-----/-----/-----/-----/-----/  
Child World, Inc.  
-----/-----/-----/-----/-----/  
Computervision Corp. (See Prime Computer)  
-----/-----/-----/-----/-----/  
Continental Cablevision, Inc.  
-----/-----/-----/-----/-----/  
Data General Corp.  
-----/-----/-----/-----/-----/  
Dennison Manufacturing Co.  
-----/-----/-----/-----/-----/  
Digital Equipment Corp.  
-----/-----/-----/-----/-----/  
Dunkin' Donuts, Inc.  
-----/-----/-----/-----/-----/  
EG&G, Inc.  
-----/-----/-----/-----/-----/  
First Petroleum Corp.  
-----/-----/-----/-----/-----/  
The Foxboro Company  
-----/-----/-----/-----/-----/  
General Cinema Corp.  
-----/-----/-----/-----/-----/  
George E. Warren Corp.  
-----/-----/-----/-----/-----/  
Globe Newspaper Company  
-----/-----/-----/-----/-----/  
Ground Round, Inc.  
-----/-----/-----/-----/-----/  
J.L. Hammett Co.  
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-----/-----/-----/-----/-----/  
Healthco Intl., Inc.  
-----/-----/-----/-----/-----/  
H.P. Hood, Inc.  
-----/-----/-----/-----/-----/  
Houghton Mifflin Co.  
-----/-----/-----/-----/-----/  
Kendall Company  
-----/-----/-----/-----/-----/  
Kenner Parker Toys, Inc.  
-----/-----/-----/-----/-----/  
Lechmere, Inc.  
-----/-----/-----/-----/-----/  
Lotus Development Corp.  
-----/-----/-----/-----/-----/  
Millipore Corp.  
-----/-----/-----/-----/-----/  
Morse Shoe, Inc.  
-----/-----/-----/-----/-----/  
New England Tele. & Telg. Co.  
-----/-----/-----/-----/-----/  
Ocean Spray Cranberries, Inc.  
-----/-----/-----/-----/-----/  
Prime Computer, Inc.  
-----/-----/-----/-----/-----/  
Raytheon Company  
-----/-----/-----/-----/-----/  
Reebok International, Ltd.  
-----/-----/-----/-----/-----/  
Seaboard Corp.  
-----/-----/-----/-----/-----/  
Shaws Supermarkets, Inc.  
-----/-----/-----/-----/-----/  
Sheraton Corp.  
-----/-----/-----/-----/-----/  
St. Johnsbury Trucking Co.  
-----/-----/-----/-----/-----/  
Stop & Shop Companies, Inc.  
-----/-----/-----/-----/-----/  
Sprague Electric Co.  
-----/-----/-----/-----/-----/  
Stride Rite Corp.  
-----/-----/-----/-----/-----/  
Teradyne, Inc.  
-----/-----/-----/-----/-----/  
Thermo Electron Corp.  
-----/-----/-----/-----/-----/  
Wang Laboratories, Inc.  
-----/-----/-----/-----/-----/  
Welch Foods, Inc.  
-----/-----/-----/-----/-----/  
William Carter Co.  
-----/-----/-----/-----/-----/



Addison-Wesley Publishing Co.

Jacob Way

Reading, MA 01867

(617) 944-3700

1,400/500/150,000

contact: Ronald Woodward, Treasurer

There are no written guidelines, and their giving program does not seem to be very well organized.

They generally give to museums and others in the local area.

Amount of Annual Charitable Contributions:

Size of Typical Grant:

Grants Given to Housing:

Request Mailed:

Follow-up Phone Calls:

Date

Status

Affiliated Publications - See Boston Globe

135 Morrissey Blvd.

Boston, MA 02125

(617) 929-2000

3,500/2,700/401,000



Analog Devices, Inc.

2 Technology Way

Norwood, MA 02062

(508) 329-4700

5,060/1,000/334,000

Contact person is: Susan Lafredo @ (508) 461-3149.

She sent one-page guidelines.

Amount of Annual Charitable Contributions:

Size of Typical Grant:

Grants Given to Housing:

Request Mailed:

Follow-up Phone Calls:

Date

Status

Apparel Retail Corp.

155 Bay State Drive

Braintree, MA 02184

(617) 848-8800 (Note: number on Dun's list is wrong)

3,000/300/160,000

contact: Steve Kravetz (Donations)

I was connected to him directly - he said they are not doing much of anything, just a few local charities, and are not anticipating expanding their program. He asked about Caritas, and said flatly that he would not contribute to such an organization.

Apollo Computer, Inc./Hewlett Packard

330 Billerica Road

Chelmsford, MA 01824

(508) 256-6600

3,300/250/295,000

Donations Department: Maureen Sickle (?) - left message 12/20

Amount of Annual Charitable Contributions:

Size of Typical Grant:

Grants Given to Housing:

Request Mailed:

Follow-up Phone Calls:

Date

Status

Arthur D. Little, Inc.

25 Acorn Park

Cambridge, MA 02140

(617) 864-5770

2,600/1,300/232,000

I spoke to Anne Freedman (Secretary for the Trustees) - she sent 2-page guidelines.

Amount of Annual Charitable Contributions:

Size of Typical Grant:

Grants Given to Housing:

Request Mailed:

Follow-up Phone Calls:

Date

Status

Augat, Inc.

89 Forbes Blvd.

Mansfield, MA 02048

(508) 543-4300

3,700/100/255,000

Requests must be submitted in writing to: Kevin Owens,  
Corporate Manager of Human Resource Development.

Amount of Annual Charitable Contributions:

Size of Typical Grant:

Grants Given to Housing:

Request Mailed:

Follow-up Phone Calls:

Date

Status



Boston & Maine Corp.

Iron Horse Pike

Billerica, MA 01862

(508) 663-1051

1,030/250/118,000

B&M is owned by Guilford Transportation

Contact person is: Colin Pease in Public Relations Department.

Mr. Pease said that they do not have a contribution program, but are looking for contributions themselves! They are trying to get the railroad back on its feet...he suggested calling again in a few years.

Amount of Annual Charitable Contributions:

Size of Typical Grant:

Grants Given to Housing:

Request Mailed:

Follow-up Phone Calls:

Date

Status

Cabot Corp.

125 High Street

Boston, MA 02154

(617) 890-0200

7,300/300/1,300,00

Contact: Deedee Forbes, Vice President and Executive Director  
of the Cabot Corporation Foundation

They sent Giving Guidelines and list of 1988 Grants.

Amount of Annual Charitable Contributions:

Size of Typical Grant:

Grants Given to Housing:

Request Mailed:

Follow-up Phone Calls:

Date

Status

Camp, Dresser & McKee, Inc.

1 Center Plaza

Boston, MA 02108

(617) 742-5151

1,700/1,300/190,000

Corporate Office is in Cambridge (621-8181):

Contact: Robert C. Merini, President & Chief Executive Officer

1 Cambridge Center

Cambridge, MA 02142

His secretary's name is Helen Connors.

Amount of Annual Charitable Contributions:

Size of Typical Grant:

Grants Given to Housing:

Request Mailed:

Follow-up Phone Calls:

Date

Status

Child World, Inc.  
25 Littlefield Street  
Avon, MA 02322  
(508) 588-7300

4,000/350/513,000

The person I spoke with was very unfriendly.  
They have written guidelines, but do not make them available.  
I was told to send a request in writing - they will determine  
whether it meets their criteria, and will respond.  
Send request attn: Nancy Huskins

Amount of Annual Charitable Contributions:

Size of Typical Grant:

Grants Given to Housing:

Request Mailed:

Follow-up Phone Calls:

Date                      Status

Computervision Corp. (See Prime Computer)

100 Crosby Drive

Bedford, MA 01730

(508) 275-1800

4,770/1,000/441,000

Continental Cablevision, Inc.

Pilot House, Lewis Wharf

Boston, MA 02110

(617) 742-9500

2,800/50/365,000

Spoke to: Andrew Dickson, Vice President of Human Resources.

He said they have a very limited program, and only donate to national organizations, but referred me to the Regional Office, based in Nashua (603) 433-4246 Attn: Mr. Otto, or the Regional Office in Quincy: (617) 471-9611 (ask for Mr. Golub). I did not contact him - being local, I thought you would prefer to speak with him yourself.

Amount of Annual Charitable Contributions:

Size of Typical Grant:

Grants Given to Housing:

Request Mailed:

Follow-up Phone Calls:

Date

Status

Data General Corp.  
4400 Computer Drive  
Westboro, MA 01580  
(508) 366-8911

16,500/3,000/1,230,000

contact: Mr. David Roy.

Note: according to the woman with whom I spoke, they are not making any new donations at the present time due to business conditions.

They do not have an application form or guidelines.

Amount of Annual Charitable Contributions:

Size of Typical Grant:

Grants Given to Housing:

Request Mailed:

Follow-up Phone Calls:

Date                      Status

Dennison Manufacturing Co.

300 Howard Street

Framingham, MA 01701

(508) 879-0511

7,960/3,000/684,000

Contact: Carolee Cain.

She said there are no written guidelines, but they tend to fund only organizations in the Framingham area, especially organizations which have some benefit to their employees.

Each request is considered at a board meeting; the next is in March.

Submit requests to Ms. Cain, or to

Nelson Gifford, President of Dennison Foundation, Inc.

Amount of Annual Charitable Contributions:

Size of Typical Grant:

Grants Given to Housing:

Request Mailed:

Follow-up Phone Calls:

Date

Status



Digital Equipment Corp.

146 Main Street

Maynard, MA 01754

(617) 897-5111

95,000/5,000/7,590,000

contact: Kathleen Feeney, Corporate Contributions Specialist

"Cheryl" sent the guidelines they use for requests.

Committee meets every 8 weeks - just met 12/8/89

Cheryl said there is a 90-day backlog

Amount of Annual Charitable Contributions:

Size of Typical Grant:

Grants Given to Housing:

Request Mailed:

Follow-up Phone Calls:

Date

Status

Dunkin' Donuts, Inc.

Pacella Park Drive

Randolph, MA 02368

(617) 961-4000

1,550/180/104,000

Contact: Robert M. Rosenberg, Chairman

Dunkin' Donuts

P.O. Box 317

Randolph, MA 02368

The woman I spoke with said they do not have a formal contributions policy, but they try to give on a national basis (she mentioned United Way). She said they get 20-30 calls per day for requests, and asked what the organization was. She said "we don't have any funds for something like that".

EG&G, Inc.

45 William Street

Wellesley, MA 02181

(617) 237-5100

22,500/120/1,170,000

Attn: Kathy Russo (person I spoke to didn't know KR's position)

She is a part of the Communications Department, I believe.

EG&G is a high-tech manufacturing company

Send a written request.

Amount of Annual Charitable Contributions:

Size of Typical Grant:

Grants Given to Housing:

Request Mailed:

Follow-up Phone Calls:

Date

Status

First Petroleum Corp.

800 South Street

Waltham, MA 02154

(617) 891-4000

50/35/1,500,000

Submit requests in writing to the owner, Mr. Richard Slifka.

No guidelines - not clear whether there is a contributions policy.

Amount of Annual Charitable Contributions:

Size of Typical Grant:

Grants Given to Housing:

Request Mailed:

Follow-up Phone Calls:

Date

Status

The Foxboro Company

Bristol Park

Foxboro, MA 02035

(508) 543-8750

7,600/4,500/572,000

Mr. John Lilly, Assistant to President

They hold quarterly committee meetings; they have no literature to send out regarding their guidelines

Amount of Annual Charitable Contributions:

Size of Typical Grant:

Grants Given to Housing:

Request Mailed:

Follow-up Phone Calls:

Date

Status

General Cinema Corp.

27 Boylston Street

Newton, MA 02167

(617) 232-8200

12,000/260/997,000

Contact is: Kaye Kilpatrick - I left a message for her to call me back. She said flatly that they do not fund housing development. They fund only medical research, children, youth, arts & education programs.

George E. Warren Corp.

50 Milk Street

Boston, MA 02109

(407) 778-7100

90/45/2,040,000

Note: this company is no longer in Boston - telephone # is Fla.

Amount of Annual Charitable Contributions:

Size of Typical Grant:

Grants Given to Housing:

Request Mailed:

Follow-up Phone Calls:

Date

Status

Globe Newspaper Company  
135 Wa. T. Morrissey Blvd.

Boston, MA 02125

(617) 929-2000

3,000/2,500/380,000

Globe Foundation - sending annual report and guidelines

Suzanne Watkins, Executive Director of Globe Foundation

Amount of Annual Charitable Contributions:

Size of Typical Grant:

Grants Given to Housing:

Request Mailed:

Follow-up Phone Calls:

Date

Status



Ground Round, Inc.

541 Main Street

South Weymouth, MA 02190

(617) 331-7005

8,200/100/180,000

Spoke to Lori Haris in the Marketing Department.

Contact Person: Bob Baker, Director of Marketing

They have no literature - rolling applications.

Amount of Annual Charitable Contributions:

Size of Typical Grant:

Grants Given to Housing:

Request Mailed:

Follow-up Phone Calls:

Date

Status

J.L. Hammett Co.

Braintree, MA

848-1000

I spoke with Margie Murphy, who said they don't make any contributions "because we receive too many requests, and it wouldn't be fair to give to some and not others."

Contact: Mr. Richard Y. Holden, Sr., President

Healthco Intl., Inc.

25 Stuart Street

Boston, MA 02116

(617) 423-6045

2,750/150/307,000

Spoke to Wayne Doane @ x1512 (Payroll Dept.)

Contact person is: Frederic Cyker

Amount of Annual Charitable Contributions:

Size of Typical Grant:

Grants Given to Housing:

Request Mailed:

Follow-up Phone Calls:

Date

Status

H.P. Hood, Inc.

500 Rutherford Avenue

Boston, MA 02129

(617) 242-0600

2,400/1,000/525,000

Contact person is: Karen Providenti. She said they generally do not give cash donations, with few exceptions (they generally give their products). They have a few long-term donees (e.g. Children's Hospital), and give a few other donations in the areas of children/homeless/hunger.

For donations of product, contact her 6 weeks in advance (written request).

Amount of Annual Charitable Contributions:

Size of Typical Grant:

Grants Given to Housing:

Request Mailed:

Follow-up Phone Calls:

Date

Status

Houghton Mifflin Co.

One Beacon Street

Boston, MA 02108

(617) 725-5000

2,000/776/321,000

I spoke with Ellen O'Leary (She asked the name of the organization, and had heard of Caritas) - she sent guidelines.

Contact: Gary Smith, Contributions Chairman

Amount of Annual Charitable Contributions:

Size of Typical Grant:

Grants Given to Housing:

Request Mailed:

Follow-up Phone Calls:

Date

Status

Kendall Company

1 Federal Street

Boston, MA 02110

(617) 574-7000 (Note: Dun's number is wrong)

12,300/618/994,000

Contact: Nancy Schnaars

This is the corporate headquarters of a health care company; they generally give to related causes (e.g. hospitals and community service organizations).

They have no written guidelines.

Their '89 budget has been allocated, and "things are tight" at the current time.

Amount of Annual Charitable Contributions:

Size of Typical Grant:

Grants Given to Housing:

Request Mailed:

Follow-up Phone Calls:

Date

Status

Kenner Parker Toys, Inc.

50 Dunham Road

Beverly, MA 01915

(508) 927-7600

2,960/100/336,000

This one doesn't sound too promising - they give donations only in the Beverly area: mostly toys, some monetary contributions.

Contact: Claire Sheehey.

Amount of Annual Charitable Contributions:

Size of Typical Grant:

Grants Given to Housing:

Request Mailed:

Follow-up Phone Calls:

Date

Status

Lechmere, Inc.

275 Wildwood Street

Woburn, MA 01801

(617) 935-8320

2,460/500/475,000

Contact: Elaine Ricci, Director of External Relations

Her secretary sent guidelines.

Amount of Annual Charitable Contributions:

Size of Typical Grant:

Grants Given to Housing:

Request Mailed:

Follow-up Phone Calls:

Date

Status



Lotus Development Corp.

55 Cambridge Pky.

Cambridge, MA 02142

(617) 577-8500

1,420/975/225,000

I was not able to reach anybody in person, but they sent guidelines and an application form (attached).

The contact person is Joyce Williams Mitchell at 225-1170.

Their computer message says that they fund two main areas:

- 1) Projects addressing the root causes of discrimination on the basis of race, ethnicity and language; and
- 2) Projects addressing access to computer technology (e.g. by low-income, disadvantaged or disabled individuals)

Geographic concentration on Boston, Cambridge and Somerville, but will consider contiguous communities.

Amount of Annual Charitable Contributions:

Size of Typical Grant:

Grants Given to Housing:

Request Mailed:

Follow-up Phone Calls:

Date

Status

Millipore Corp.

80 Ashby Road

Bedford, MA 01730

(617) 275-9200

4,860/935/332,000

Millipore Foundation - all info. is in guidelines.

Amount of Annual Charitable Contributions:

Size of Typical Grant:

Grants Given to Housing:

Request Mailed:

Follow-up Phone Calls:

Date

Status

Morse Shoe, Inc.

555 Turnpike Street

Canton, MA 02021

(617) 828-9300

5,300/900/540,000

Contact: Mary Morris

She said they have different procedures for different monetary levels of contributions. She said she would talk to the legal department about whether they could send me their guidelines.

The contact in the legal department is Tom Rabauch, Esq. Ms. Morris said they used to make a lot of contributions, but went through a "rough period" and apparently make fewer now. She said the location of the organization has a lot to do with decisions.

Amount of Annual Charitable Contributions:

Size of Typical Grant:

Grants Given to Housing:

Request Mailed:

Follow-up Phone Calls:

Date

Status

New England Tele. & Telg. Co.

185 Franklin Street

Boston, MA 02107

(617) 743-9800

26,900/2,000/3,250,000

I spoke to Susan Flaherty at 743-4846, who said that they have a large number of proposals backed up from during the strike, and it will be 4-5 months before they consider any new appeals.

She also noted that they only give to "building capital funds"

Amount of Annual Charitable Contributions:

Size of Typical Grant:

Grants Given to Housing:

Request Mailed:

Follow-up Phone Calls:

Date

Status

Ocean Spray Cranberries, Inc.

225 Water Street

Plymouth, MA 02360

(508) 946-1000

2,500/350/531,000

I spoke with a woman who said they generally give to "Health and Human Service Organizations" in the cranberry-growing region (Middleborough/Carver/Plymouth)...inquiries should go to:

Christine Masclee, Director of Communication

1 Ocean Spray Drive

Lakeville, MA 02349

Amount of Annual Charitable Contributions:

Size of Typical Grant:

Grants Given to Housing:

Request Mailed:

Follow-up Phone Calls:

Date

Status

Prime Computer, Inc.

Prime Park

Natick, MA 01760

(508) 655-8000

8,110/1,000/769,000

A woman named Rozelle Warren (not too friendly) is the contact person. Her extension is 7701.

She is sending guidelines.

She emphasized that any request should include the requesting organization's Tax ID #.

Amount of Annual Charitable Contributions:

Size of Typical Grant:

Grants Given to Housing:

Request Mailed:

Follow-up Phone Calls:

Date

Status

Raytheon Company

141 Spring Street

Lexington, MA 02173

(617) 862-6600

76,100/500/6,400,000

Contact: Janet Taylor, Manager of Corporate Contributions

Her secretary sent their guidelines.

Amount of Annual Charitable Contributions:

Size of Typical Grant:

Grants Given to Housing:

Request Mailed:

Follow-up Phone Calls:

Date

Status

Reebok International, Ltd.

1,100/400/306,000

Note: Address in Dun's list is no longer correct.

Contact:

Jean Mahoney, Executive Director of Reebok Foundation

100 Technology Center Drive

Stoughton, MA 02072

(617) 341-5000

Guidelines are being rewritten; available in mid-January

Amount of Annual Charitable Contributions:

Size of Typical Grant:

Grants Given to Housing:

Request Mailed:

Follow-up Phone Calls:

Date

Status



Seaboard Corp.

200 Boylston Street

Newton, MA 02167

(617) 332-8492

4,500/35/252,000

This office has only 4 people on staff - headquarters is in the West someplace.

Shaws Supermarkets, Inc.

140 Laurel Street

E. Bridgewater 02333 (508) 378-7211

10,600/700/1,200,000

The contact at headquarters in Bridgewater is: Bob Ecklund,  
Treasurer (x3206); his secretary is Jean Tracey x3274.

They said that requests should be submitted in writing to:

Scott W. Ramsay, Vice President and General Manager

Shaws Supermarkets, Inc., Southern Region Office

140 Laurel Street / E. Bridgewater 02333

If the request is for over \$1000, he will forward it to Bob  
Ecklund, who will present it to a committee that meets every  
two weeks; there are no written guidelines.

Amount of Annual Charitable Contributions:

Size of Typical Grant:

Grants Given to Housing:

Request Mailed:

Follow-up Phone Calls:

Date

Status

Sheraton Corp.

60 State Street

Boston, MA 02109

(617) 367-3600

93,000/180/500,000

Address to: Brenda Furlong, Vice President and Treasurer  
Cheryl Whalen takes care of the Sheraton Foundation (i.e.  
processes applications).

There are no forms or specific procedures.

Amount of Annual Charitable Contributions:

Size of Typical Grant:

Grants Given to Housing:

Request Mailed:

Follow-up Phone Calls:

Date

Status

St. Johnsbury Trucking Co.

119 Jeffrey Avenue

Holliston, MA 01746

(508) 429-5920

4,800/80/260,000

Send requests attn: Dottie Nolan; she'll forward it to committee

She said that there are no guidelines per se; each individual

contribution is look at on its own. They are currently (12/89)

not making contributions due to economic conditions.

Amount of Annual Charitable Contributions:

Size of Typical Grant:

Grants Given to Housing:

Request Mailed:

Follow-up Phone Calls:

Date

Status

Stop & Shop Companies, Inc.

P.O. Box 369

Boston, MA 02101

(617) 770-8000

46,000/300/3,680,000

Contact is: Missy Grealy, Director of Corporate Affairs.

Her secretary is sending me a package of guidelines for applying.

Rolling applications - when they get "\$x of requests", they submit them to the Board. Recently completed December package (12/13/89)

Amount of Annual Charitable Contributions:

Size of Typical Grant:

Grants Given to Housing:

Request Mailed:

Follow-up Phone Calls:

Date

Status

Sprague Electric Co.  
92 Hayden Street  
Lexington, MA 02173  
(617) 862-5500 - wrong number  
9,100/50/466,000

Not in Lexington any more: now in Mansfield and Worcester;  
Stamford, CT office said to contact the Director of Human  
Resources at Sprague Electric in Mansfield (508) 339-8900.

I spoke to Priscilla Ross in Mansfield, who said they usually  
give in the immediate area, but it depends on the  
organization. She asked about the organization and seemed to  
perk up when I told her the nature of Caritas' work.

41 Hampden Rd.  
Mansfield, MA 02048

Stamford headquarters (Sprague Technologies-203-964-8600) said  
they have postponed donations for the balance of the year due  
to economic conditions...there are no written guidelines, but  
the contact person is Carol Warren...the person I spoke with  
said the headquarters would be unlikely to fund outside their  
local area, but suggested contacting the local branch (see  
above).

Amount of Annual Charitable Contributions:

Size of Typical Grant:

Grants Given to Housing:

Request Mailed:

Follow-up Phone Calls:

Date                      Status

Stride Rite Corp.  
5 Cambridge Center  
Cambridge, MA 02142  
(617) 491-8800  
6,000/500/277,000

The woman I spoke with was not too friendly...said she would send information...wanted information about the organization (Caritas)...I gave her the name and purpose and explained I was just gathering information re: contact people and procedures. Contact person is Vicki Mann.

Amount of Annual Charitable Contributions:

Size of Typical Grant:

Grants Given to Housing:

Request Mailed:

Follow-up Phone Calls:

<u>Date</u>	<u>Status</u>
-------------	---------------

Teradyne, Inc.

321 Harrison Avenue

Boston, MA 02118

(617) 482-2700

4,300/800/336,000

Very nice folks here; said that their contributions program is very unstructured; last meeting was @ beginning of December; generally hold 3-4 meetings per year (March/June/Sept/Dec).

Contact: Frederick Van Veen.

Written guidelines attached.

Amount of Annual Charitable Contributions:

Size of Typical Grant:

Grants Given to Housing:

Request Mailed:

Follow-up Phone Calls:

Date

Status



Thermo Electron Corp.

101 First Avenue

P.O. Box 9046

Waltham, MA 02254

(617) 890-8700

3,800/300/234,000

Attn: Linda Nordberg, Office of the President

The Committee meets periodically - the Foundation has a budget and informal guidelines on the types of projects they fund (but nothing she could send out).

Amount of Annual Charitable Contributions:

Size of Typical Grant:

Grants Given to Housing:

Request Mailed:

Follow-up Phone Calls:

Date

Status

Wang Laboratories, Inc.

One Industrial Avenue

Lowell, MA 01851

(508) 459-5000

30,000/5,000/2,640,000

x72356 - Contact: Ed Pignone (Pin-YONE-E), Director of Public Affairs.

He said they are in the midst of a "major restructuring", and are not in a position to make new commitments at the current time. They operate on a 90-day funding cycle.

Amount of Annual Charitable Contributions:

Size of Typical Grant:

Grants Given to Housing:

Request Mailed:

Follow-up Phone Calls:

Date

Status

Welch Foods, Inc.  
101 Main Street  
Concord, MA 01742  
(508) 371-1000  
1,190/60/269,000

Contributions are made through their headquarters at:

2 South Portage Street  
Westfield, NY 14787  
(716) 326-3131

I did not call the headquarters.

Amount of Annual Charitable Contributions:

Size of Typical Grant:

Grants Given to Housing:

Request Mailed:

Follow-up Phone Calls:

<u>Date</u>	<u>Status</u>
-------------	---------------

William Carter Co.

963 Highland Avenue

Needham Height, MA 02194

(617) 444-7500

5,500/450/211,000

The company makes children's clothing - headquarters are in  
Shelton, Conn (203-926-5000)

Fred Brown in Needham handles small contributions (clothing)  
Needham division is moving to Atlanta.

Lloyd Stouter in Shelton handles larger contributions.

Amount of Annual Charitable Contributions:

Size of Typical Grant:

Grants Given to Housing:

Request Mailed:

Follow-up Phone Calls:

Date

Status

5804S/89

# HOME WATER CONSERVATION GUIDE



**Including 20 tips to help you save  
thousands of gallons of water each year.**



**Massachusetts Water Resources Authority**

## Is your town listed below?

Sixty towns depend on water service, sewer service or both provided by the Massachusetts Water Resources

Authority (MWRA). If you live or work in any of these towns—or visit for business, entertainment, shopping or recreation—the information contained in this Guide is vital to you, your family—and your future well-being.

Arlington	Lynn †∅	Saugus †
Ashland *	Lynnfield	Somerville
Bedford *	Water District †	Southborough †
Belmont	Malden	South Hadley
Boston	Marblehead †	Fire District #1 †
Braintree *	Marlborough †∅	Stoneham
Brookline	Medford	Stoughton *
Burlington *	Melrose	Swampscott †
Cambridge ∅	Milton	Wakefield ∅
Canton ∅	Nahant †	Walpole *
Chelsea	Natick *	Waltham
Chicopee †	Needham ∅	Watertown
Clinton †	Newton	Wellesley ∅
Dedham	Northborough †∅	Weston †∅
Everett	Norwood	Westwood *
Framingham ∅	Peabody †∅	Weymouth *
Hingham *	Quincy	Wilbraham †
Holbrook *	Randolph *	Wilmington *
Leominster †∅	Reading *	Winchester ∅
Lexington	Revere	Winthrop
		Woburn ∅
		Worcester †∅

† Water service only

\* Sewer service only

∅ These towns are only partially supplied with MWRA water, use water only in emergencies, or currently use no MWRA water at all—but have the right to do so.

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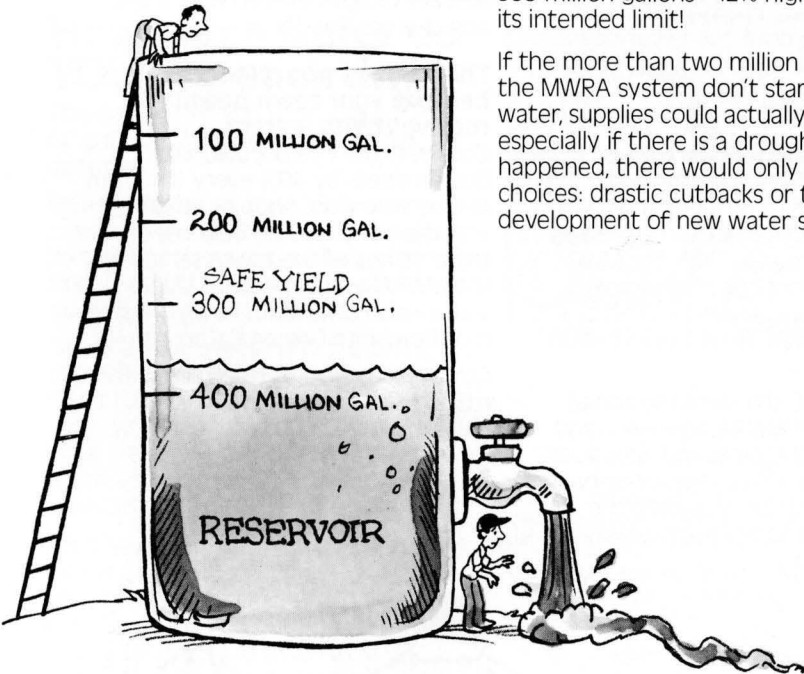
## How much water can the system supply?

The MWRA system of aqueducts, pipes and tunnels begins about 65 miles west of Boston at the Quabbin Reservoir and extends to Stoneham, just inside Route 128. Our two largest reservoirs, Quabbin and Wachusett,

store several hundred billion gallons of water when full.

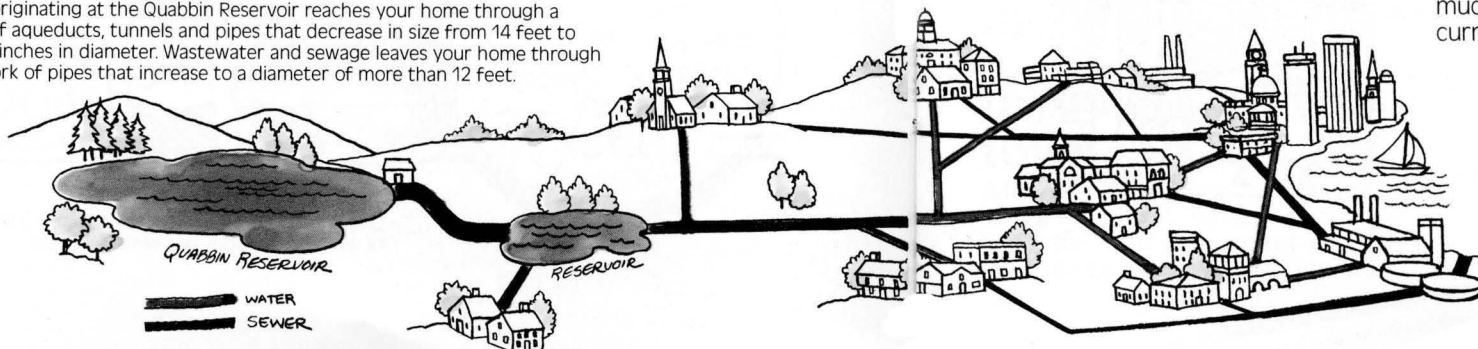
This complex system was designed to safely supply about 300 million gallons each day (also known as "safe yield"). But beginning about 10 years ago, the amount of water being withdrawn began to exceed this safe yield or limit. Although greater conservation awareness has helped, our current water usage tops a daily average of 335 million gallons—12% higher than its intended limit!

If the more than two million users of the MWRA system don't start saving water, supplies could actually run low—especially if there is a drought. If that happened, there would only be two choices: drastic cutbacks or the costly development of new water supplies.



### The MWRA: Serving more than 2 million people daily

Water originating at the Quabbin Reservoir reaches your home through a series of aqueducts, tunnels and pipes that decrease in size from 14 feet to several inches in diameter. Wastewater and sewage leaves your home through a network of pipes that increase to a diameter of more than 12 feet.



## What difference do a few gallons make?

A lot! There's only so much water. And we're all using more than we should. The MWRA and the individual communities we serve are taking major steps to conserve water, starting with an aggressive program to detect and repair leaks in pipes—many of which are more than 50 years old.

Many area industries are also doing their part by altering or replacing existing fixtures and machinery so they'll use less water.

**More than one third of the MWRA system use is residential. Together, we have the potential to save millions of gallons of water each day. It all adds up—if we each do our part.**



## HOW WATER IS USED

Most water uses are certainly necessary. We need water for drinking, personal hygiene, cleaning our homes and preparing our food. But we also use water to wash the car, water the lawn or "sweep" the sidewalk. Sometimes we just let it drip away.

**The problem is not what we use water for, but the fact that we frequently use more than we need.**

When you last ran your dishwasher, was it full? Have you recently tossed a tissue (or a bug) in the toilet and flushed it without a thought? Do you spend 20 minutes in the shower out of habit? Each of us probably uses water in unnecessary or careless ways almost every day.

Your toilet is the single biggest water-user in your home. *Believe it or not,*

toilet flushing accounts for about 38%—more than a third—of the water used within your home each day! At work "sanitary use" accounts for about 80% of the water used (except in manufacturing firms).

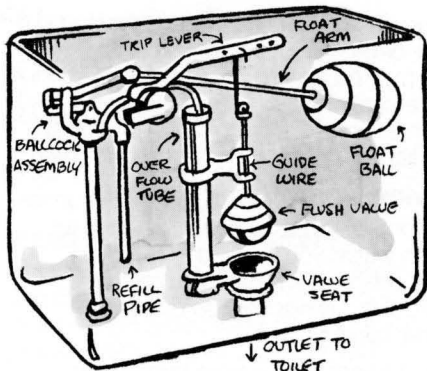
## How can you conserve water?

There are three steps that you can take that may immediately cut your water consumption by 1/3 or more.

- 1) Repair leaky pipes, toilets, and faucets
- 2) "Retrofit" or replace your toilet
- 3) Install low-flow shower heads & faucet aerators

Each is explained on the following pages. But first, let's find out how much water your household is currently using.





There are many variations to the names of each toilet part! Don't be surprised if your "How-To" book calls it something slightly different.

## One leaky toilet can waste more than 50 gallons of water a day!

You may need to call your plumber to locate and fix the leak. Or—you may want to do it yourself. Here are a few helpful hints.

Empty your toilet tank for repairs. You do this by turning off the water inlet at the base of the toilet and flushing the tank. Soak up excess water (it's clean) with a sponge, then check these parts:

**1. Flapper or Flush Valve**—Your Flapper or Flush Valve may not be seating properly in the Valve Seat—or it may need replacement. (This is the typical cause of a running toilet.)

**To fix:** Check the Valve Seat for corrosion and clean if necessary. Try flushing. If the Flush Valve still won't seat properly, the Guide Wire may be bent, misaligned or catching in the Guide. Straighten the wire and clean the Guide. Be sure to check that the valve falls easily into place.

If the Flush Valve seems worn or in bad shape, check with your plumber or hardware store for inexpensive replacement parts and simple installation instructions.

**2. Overflow Tube**—If the water level in the tank is too high, it may spill into

the Overflow Tube. The correct water level is about 1/2 to one inch below the top of the Overflow Tube.

**To fix:** Bend the Float Arm downward very gently until the water fills to the proper level after you flush (see diagram). Be sure to check that the Float Arm is securely screwed in so that the arm won't rotate.

\*If the water level is too low, you may get a poor flush; carefully bend the Float Arm upward.

**3. Guide Wire**—If you have to jiggle the handle to keep the toilet from running, it may be a sticking Guide Wire, a misaligned Flush Valve or a loose handle.

**To fix:** Clean and straighten the Guide Wire and/or tighten the nut that holds the toilet handle to the tank.

**4. Shut-Off Valve**—If the water that refills the tank won't shut off, you may have a broken Shut-Off Valve in the Ballcock assembly; water just keeps spilling into the Overflow Tube.

**To fix:** Know your limitations. Unless you're an accomplished plumber, call a professional. At least you've isolated the problem!

If your leaky toilet can't be fixed, be sure to replace it with one that uses 1.6 gallons per flush (gpf) or less. New "low-flow" toilets are designed to flush efficiently with very little water.

The installation of low-flow toilets is so important that the Massachusetts Plumbing Code was amended to *require* toilets that use 1.6 gpf or less in all new installations after March, 1989.

## How much water does YOUR toilet use?

If your toilet was installed before 1980, it probably uses 5–7 gallons per flush. Toilets installed from the early '80s on generally use 3.5 gpf.

### Find out exactly how much water your toilet uses per flush.

- Remove the lid of your toilet tank. Take the inside measurements (length, width, and height to the water line). If any water is left in the tank after you flush, subtract those inches from the height measurement.
- To convert to cubic inches, multiply the three figures. (Example: 17" x 7" x 9" = 1071 cubic inches.) To convert to gallons, divide by 230. (1071 ÷ 230 = 4.65 gallons of water in the tank.) But don't forget—20–40% more water is actually used in the flushing process. Therefore, our example is a 5–7 gallon per flush toilet.

Unless your toilet uses 1.6 gallons or less, it should be "retrofitted" or replaced as soon as possible.

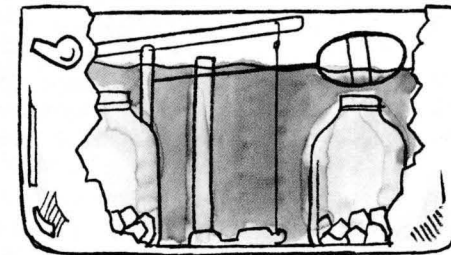
## Retrofitting your toilet

It's easier than it sounds. Retrofit simply means to make a minor, inexpensive change in order to save water. Displacement devices such as bottles and dams are two easy ways to retrofit your toilet. Each could save thousands of gallons of water a year.

**Weighted plastic bottles displace water** in your tank. They are inexpensive (practically free) and will save 1–3 quarts per flush. You probably have some suitable plastic bottles collecting dust in your basement right now. Put them to good use!

## How to put a plastic bottle in your toilet tank

1. Flush your toilet with the lid off and watch what happens to the mechanism. This will determine what shape (and size) bottle to use.
2. Put about an inch of pebbles in the bottle as weight. Fill to the top with water, then screw on the lid.



3. Carefully place the bottle in your tank as shown; be sure not to interfere with the flushing mechanism.

Experiment with bottles of various sizes and shapes. If the flush is not forceful enough, simply remove the bottle and replace it with a smaller one.

**Toilet dams hold water back**, reducing the amount of water needed per flush by 1–2 gallons. Dams are best suited for toilets that use 6 gpf or more. Consult your local hardware or plumbing supply store for advice and be sure to follow package instructions carefully.

Toilet dams are sold in pairs. You can use both—or just one per toilet. But it is important that they be installed properly. Otherwise, double-flushing may be necessary.

Never put bricks in your tank. They'll disintegrate and harm the system.





## Replacing your toilet

Although you will probably need a plumber to install your new toilet, you should make the selection yourself to be sure it uses 1.6 gpf or less. *If you're replacing a 5+ gallon tank, you can automatically (and permanently) cut your home water consumption by 25% or more!* Here are some tips to help you shop:

1) Measure the width and height of your existing toilet tank, and the "rough in" distance (the distance

between the wall and the "flange bolt" at the base of the toilet). Most new low-flow toilets require a rough in distance of 12"—which is compatible with most older toilets. *It is important to measure to be sure that your new toilet will fit into the existing space.*

2) Bring your own tape measure when you shop; most toilets are not labeled with the amount of water they use. Make the measurements yourself to be sure you've selected a toilet that uses 1.6 gpf or less.



## SAVING WATER WITH A LOW-FLOW SHOWER HEAD

Nothing beats a long, hot shower. That's why your shower is the second biggest water guzzler in your home. What's the smartest thing you can do to save water—and energy—in your shower? Switch to a low-flow shower head; it uses only 3 gallons per minute or less.

The exhilarating spray quality, effectiveness and durability of today's low-flow shower heads is far superior to those of ten years ago. If you choose one with a shut-off valve you'll be able to resume the same water temperature and pressure automatically. At just \$10–\$25 each, a low-flow shower head will save thousands of gallons of water a year.

With a low-flow shower head you'll use 3 gallons per minute (gpm) or less—instead of 5–7 gpm. You could save 20–40 gallons of water during one 10-minute shower. In one year, that's over 7000 gallons!

### You need a low-flow shower head if...

Hold a bucket underneath your shower for 20 seconds. If more than one gallon accumulates, you need a low-flow shower head.

A selection of low-flow shower heads is readily available at your hardware or plumbing supply store. Make sure you check the package to determine its water usage.



*Don't confuse a low-flow shower head with a "flow restrictor." In general, low-flow shower heads ensure a more enjoyable shower—and save more water.*

### A note on water pressure ...

Most low-flow shower heads are designed to function well with water pressure ranging from 30 to 80 pounds per square inch. This is well within the range of most homes and apartment buildings. Read the shower head instructions carefully or ask advice at your hardware store.

### It's easy to switch to a low-flow shower head.

There are two ways, depending on your shower configuration. See Figures 1 and 2.

1. Remove the old shower head by turning it counter-clockwise. Always put a soft cloth between the pliers and the shower head.

2. Clean the neck threads on the pipe, then screw the new low-flow shower head on clockwise. Tighten firmly.



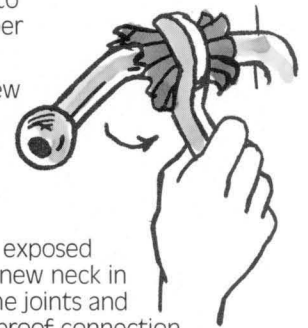
It's possible that the new shower head will not fit into the existing pipe, especially if the "neck" ends in a ball joint. New necks are readily available in most hardware stores.

1. Remove the old shower head by turning it counter-clockwise; this exposes the neck and ball joint. (Always put a soft cloth between pliers and shower head.)

2. To remove the old neck, gently turn it counter-clockwise. (If it does not unscrew with moderate pressure, you may want to ask your plumber for help.)

3. Screw the new neck clockwise into the elbow. Teflon tape or pipe joint compound may be needed on the exposed threads of the new neck in order to seal the joints and provide a leak-proof connection.

4. Screw the new low-flow shower head clockwise onto the neck.



## INSTALLING AERATORS, SPRAY TAPS & MORE

Faucets can use 2–7 gallons of water per minute; a low-flow aerator can reduce the flow by about 25%. If your water looks bubbly as it comes out of the faucet, you may already have an aerator.

You can buy one or more aerators for less than \$5. Choose from a selection at your local hardware or plumbing supply store.



15. Water shrubs and gardens using a slow trickle around the roots. A slow soaking encourages deep root growth, reduces leaf burn or mildew, and prevents water loss.



16. Apply mulch around flowers, shrubs, vegetables and trees to reduce evaporation, promote plant growth and control weeds.

17. Be sure your hose has a shut-off nozzle. Hoses without a nozzle can spout 10 gallons or more per minute.

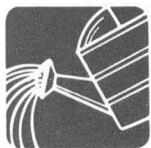
18. When washing your car, wet it quickly, turn off the spray, then wash it with soapy water from a bucket. Rinse quickly.

19. Never use the hose to clean debris off your driveway or sidewalk. Use a broom.

20. Wash other items, like bicycles or trash cans on the lawn to give your grass an extra drink.

### Teach your children.

Share these tips with your children. Ask them not to turn the tap on full blast or leave it running unnecessarily. Make water conservation a game—see how much water you can save on your next water bill. Set a goal!



## CONSERVING WATER OUTDOORS

Wherever we use water, there's potential for waste. Water dispersed through sprinklers and hoses can account for up to half of the total water used in June, July and August. Unfortunately, due to inefficient watering techniques, much evaporates

before it ever reaches its intended destination—thirsty roots.

The amount of water you use (and can save) outdoors depends on your watering technique as well as the size, type and location of your lawn, shrubbery and gardens.



Outdoor water use in the winter is minimal (less than 5%). But in the summer, it can soar to as much as half of the total water you use! On hot summer days, system-wide demand for water frequently tops 440 million gallons—that's 47% more than its intended limit or "safe yield" of 300 million gallons a day.

## Your lawn—water only as needed.

Frequent sprinkling causes a weak lawn. Wet grass burns in the hot sun and is vulnerable to disease from mildew and fungus.

Light sprinkling also encourages shallow root growth. Test the soil for dryness. Water only when dry 1½ inches below the surface. Water less often, but check to see that the water soaks in 3 or 4 inches below the surface; this encourages deep root growth.

Roots can maintain plenty of moisture even after several days without rain. Before watering, look for signs that it's needed, such as patchy areas, a general change in color or footprints that remain in the grass long after being made.

### Timing is critical.

The best time to water is in the early morning preferably before 9:00 a.m. Evening is next best. Watering midday will result in a high rate of evaporation and sunburned grass.

Applying one inch of water to 1000 square feet of lawn or garden requires 820 gallons of water.

After heavy rains, you may not need to water for 10–14 days or more. If you rely on automatic timers, be sure to shut the sprinkler off during the rain.

### What's the best watering "technique"?

Choose the appropriate sprinklers for your lawn size and configuration. Check them frequently for proper direction and an even spray pattern. No matter how much you water your driveway and sidewalks, they won't grow!

Never water faster than it can be absorbed by your soil. For gardens and shrubs, consider using soaker hoses to provide a slow trickle directly to the roots.



**Remember:** One inch a week (rain plus supplemental watering) should be plenty.

Efficient watering will result in a lawn that looks great and can withstand disease, as well as seasonal and environmental stresses.

If your lawn "fades" in the summer, don't panic. Grass becomes naturally dormant during hot, dry periods. It will revive quickly after a good rainfall or when the weather becomes cooler.

## Caring for shrubs, flowers & gardens

Certain plants are hardier and more suitable to a New England climate than others. Check with your local nursery for advice when it comes time to plant or replace landscape elements.

### Give your plants credit for hardiness.

Most can survive extended dry spells if you train them well and early. Start preparing plants in the spring; let them dry out. Then water them generously using a slow trickle at the roots. This encourages strong, deep root growth and healthy mature plants.

### Mulches keep roots cool and moist.

Mulches, such as woodchips, pebbles and hay, reduce natural moisture loss and prevent weed growth. Three to six inches should do the job. On a sweltering 100°F day, a 3-inch mulch can keep the soil underneath up to 25° cooler! Avoid white marble chips which can damage acid loving plants like rhododendrons.

You can also improve soil water retention by adding organic matter such as compost, rotted manure or peat moss when you prepare soil for a new planting.

### Vegetable Gardens

Cover all bare soil with black plastic, newspaper or organic materials such as straw, salt hay, leaves or grass clippings. This prevents weed growth, keeps roots cool and greatly reduces the amount of supplementary watering needed.

In general, water using a slow trickle until the soil is moist 3 or 4 inches below the surface. Shallow watering lures vital feeder roots to the surface where they are vulnerable to heat and dryness. Do not water paths between plants. Test the soil for dryness. Water again only when dry 1½ inches below the surface.

Visit the library for gardening reference books or consult your local nursery about the watering needs of specific vegetables, fruits and flowers. There are dozens of varieties that can withstand dry summers and that actually thrive in drier soil.

### Two ways to water

Shrubs, bushes, flowers and vegetable gardens are best watered with a hand-held hose or by the drip irrigation method.



**By hose**—If your garden is small, use a hose. Apply water slowly at the base of each plant—not on leaves and foliage.



**Drip irrigation**—This method consists of a system of porous tubes or hoses (not eye-droppers!) that deliver small quantities of water at low pressure directly to where it does the most good—the root zones of plants. Once the secret of professional gardeners, drip irrigation is excellent for home use.



## FOR MORE INFORMATION

We should all be willing to make efforts to conserve—because the water we use is so precious.

You have taken the first step by reading through this guide. The next critical step is to actually apply these 20 tips to your daily routine, to check for leaks and to install water-saving devices wherever possible.

### Help yourself.

There are a variety of additional materials available to you for free.



Simply call 242-SAVE to request further information about water conservation, the MWRA water distribution system and other MWRA projects.

# Water. Keep it on tap for the future.



## Massachusetts Water Resources Authority

Charlestown Navy Yard  
100 First Avenue  
Boston, Massachusetts 02129

# 242-SAVE





# 7-DAY WATER USE CHART

Snip the tallies on page 19.

Note each time you flush the toilet, shower, bathe, brush your teeth, etc. Don't forget outdoor uses like washing your car or watering your garden.

Note water use away from home, too;

it can add up to more than 20% of your tally.

After seven days use the chart below and add it all up. Divide the Grand Total by 7 to determine your average daily usage.







Activity/fixture	# of times	Water Used	Total
<b>Bathroom—</b>			
Toilet flushes	X	5 gal.	=
Showers	X	25 gal.	=
Baths	X	36 gal.	=
Brushing teeth	X	5 gal. water running 1/2 not	=
Shaving	X	5 gal. water running 1/2 not	=
<b>Kitchen/Laundry—</b>			
Meal preparation	X	5 gal.	=
Washing dishes by hand	X	30 gal. water running	=
Garbage disposal	X	5 gal.	=
Dishwasher	X	15 gal.	=
Washing machine	X	30 gal.	=
<b>Outdoors—</b>			
Washing car	X	20 gal.	=
Watering lawn/garden	X	8 gal./minute	=
Other	Estimate!		=
<b>Grand Total</b>			=
*The above water use figures are estimates. For more exact determinations, consult this booklet or your appliance manuals.			Divide by 7 =



# WATER TALLIES

Snip these tallies and tape one in your bathroom, kitchen, laundry room or other areas of water use. Put a strike (###) on the proper line each time you

do one of the following. Keep track for one week, then see page 18 to figure out your average daily water use.

 <p><b>In Your Bathroom</b></p> <p>Start Date: _____</p> <p>Toilet flushes _____</p> <p>Showers _____</p> <p>Baths _____</p> <p>Brushing teeth _____</p> <p>Shaving _____</p>	 <p><b>In Your Bathroom</b></p> <p>Start Date: _____</p> <p>Toilet flushes _____</p> <p>Showers _____</p> <p>Baths _____</p> <p>Brushing teeth _____</p> <p>Shaving _____</p>
 <p><b>In Your Kitchen/Laundry</b></p> <p>Start Date: _____</p> <p>Meal preparation _____</p> <p>Washing dishes by hand _____</p> <p>Garbage disposal _____</p> <p>Dishwasher _____</p> <p>Washing machine _____</p>	 <p><b>In Your Kitchen/Laundry</b></p> <p>Start Date: _____</p> <p>Meal preparation _____</p> <p>Washing dishes by hand _____</p> <p>Garbage disposal _____</p> <p>Dishwasher _____</p> <p>Washing machine _____</p>
 <p><b>Outdoors</b></p> <p>Start Date: _____</p> <p>Washing car _____</p> <p>Watering lawn/garden (# minutes?) _____</p> <p>Other _____</p>	 <p><b>Outdoors</b></p> <p>Start Date: _____</p> <p>Washing car _____</p> <p>Watering lawn/garden (# minutes?) _____</p> <p>Other _____</p>



## Thank you for your interest in water conservation.

To help us more accurately educate our communities about the importance of water conservation, please take a moment to answer these questions.

If you would like to receive any of the following, please check the proper box:

- Additional Home Water Conservation Guides (\_\_\_\_ quantity)  
 MWRA water system map  
 Further information on the MWRA

Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

### 1. How did you learn about this Guide?

- By calling 242-SAVE       Friend  
 Local water department       Advertising

Other \_\_\_\_\_

### 2. Have you seen/heard water conservation messages on any of the following:

	Yes	No
Television	<input type="checkbox"/>	<input type="checkbox"/>
Subway/buses	<input type="checkbox"/>	<input type="checkbox"/>
Radio	<input type="checkbox"/>	<input type="checkbox"/>
Newspapers	<input type="checkbox"/>	<input type="checkbox"/>
Friends	<input type="checkbox"/>	<input type="checkbox"/>
Local Water Department	<input type="checkbox"/>	<input type="checkbox"/>
Other _____		

### 3. Have we missed something in this Guide?

If yes, what? \_\_\_\_\_

### 4. Did you know that . . .

	Yes	No
Toilets are the largest water users in your household?	<input type="checkbox"/>	<input type="checkbox"/>
Leak detection is an easy way to save water?	<input type="checkbox"/>	<input type="checkbox"/>

### 5. Do you know a friend or organization that might benefit from copies of this Home Water Conservation Guide?

Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Massachusetts Water Resources Authority  
Charlestown Navy Yard  
100 First Avenue  
Boston, MA 02129

**Important Tips Enclosed!**  
**Water-Saving**