

SPRINGFIELD COMMUNITY PRESERVATION FULL APPLICATION COVER SHEET

I. PROJECT INFORMATION

CPA program area - check all that apply:

community housing historic preservation open space recreation

Project/Program Title: **Elias Brookings Apartments**

Brief Project/Program Summary:

Rehabilitation of an historic 1925 former public school building into 42 affordable 1, 2 & 3 bedroom apartments. 35 apartments will be affordable to households with income at or below 60% of Area Median Income. 7 apartments will be affordable to households with income at/below 80% of AMI. Historic elements to be restored include masonry, windows, terrazzo corridor floors, wood gymnasium floor, and carved grotesques featured in classroom corridors.

estimated start date: November 2020

estimated completion date: December 2021

II. APPLICANT INFORMATION

Type of Applicant - check one:

City of Springfield Non-Profit Organization For-Profit Business Individual

Name of Organization: **Home City Development, Inc.**

Name of Contact Person: **Peter Serafino**

Mailing Address: **261 Oak Grove Avenue**

Mailing City/State/Zip: **Springfield, MA 01009**

Phone: **(413) 785-5312 x 102**

Fax:

Email: **pserafino@homecitydevelopment.org**

Website: **www.homecitydevelopment.org**

III. BUDGET SUMMARY

Estimated Project Budget: **\$19,476,351**

CPA Funding Request: **\$500,000**

Will you be seeking multi-year funding Yes No

CPA Request as Percentage of Total Project/Program Budget: **2.5%**

List Other Secured Funding Sources:

City of Springfield HOME: \$100,000
MA Historic Rehab Tax Credits: \$1,200,000, yielding equity of \$1,092,000
National Park Service Historic Rehab Tax Credits: \$3,253,292, yielding equity of \$2,989,422
Deferred Developer Fee: \$96,528

List Other Prospective Funding Sources:

Federal Low Income Housing Tax Credit equity: \$8,950,000
MA Dept. of Housing and Community Development soft debt: \$4,404,000
MassHousing workforce soft debt: \$700,000
MassHousing permanent loan: \$644,400

Applicant Signature: _____

Date Submitted: 3/13/2020

Springfield Community Preservation Act

Application for Funding

I. GENERAL INFORMATION

Project Name: Elias Brookings Apartments
Applicant: Home City Development, Inc. (HCDI)
Funding Categories: Community Housing
Historic Preservation
Funds Requested: \$500,000
Address: 367 Hancock Street, a/k/a 391 Hancock Street
Parcel ID#: 06250-0157
Owner: HC Brookings LLC, and affiliate of Home City Development, Inc.

Community Housing Information

Elias Brookings Apartments will contain 42 affordable rental apartments

- 35 apartments will be restricted to households with income at or below 60% of Area Median Income (AMI)
 - Fourteen of these apartments will be further restricted for households with income at or below 30% of AMI.
- 7 apartments will be restricted to households with income at or below 80% of AMI

Tenant income-eligibility will be determined by staff of Housing Management Resources, Inc. (HMR), the company that manages all 420 apartments owned by HCDI. At initial lease-up tenant files will also be reviewed by the company selected to syndicate federal Low Income Housing Tax Credits (LIHTC). HMR staff is trained and experienced in all aspects of leasing and management of LIHTC and other affordable properties. It manages 80 properties comprising over 7,800 rental apartments in eleven states.

Marketing and lease-up procedures for Elias Brookings Apartments will be in conformance with a Tenant Selection Plan to be approved by MA Department of Housing and Community Development. The Plan is designed to promote fairness and uniformity in the selection of tenants for subsidized units, and to promote efficiency in the application process for subsidized units. Tenants will be selected by lottery. Elias Brookings Apartments has adopted the following preferences, priorities and targeting:

- Homeless households and individuals will be given a preference for five apartments.
- Three apartments will be set-aside for Department of Mental Health client referrals.
- Households and Individuals who require the features of the accessible units (3 mobility, 2 sensory) will be given a preference for these apartments.

HMR staff is fully bilingual (English and Spanish) and have the capacity to address matters relating to limited English language proficiency. This includes providing reasonable oral and written language assistance, at no cost to the applicant, so that applicants with Limited English Proficiency may meaningfully apply and access the housing opportunity. Marketing informational materials provide notice of free language assistance to applicants, translated into Spanish.

Marketing efforts will seek to attract residents from Springfield and Hampden County and shall meet the following requirements:

- a. Advertisements will be placed on electronic media to serve minority groups and other groups protected under fair housing laws. Notices will also be sent to local fair housing commissions, area churches, local and regional housing agencies, local housing authorities, civic groups, lending institutions, social service agencies, and other non-profit organizations. The Advertising will be through the local shelters (including Way Finders, Center for Human Development, YWCA-domestic violence shelter and teen parent shelters, Womenshelter domestic violence shelter, Open Pantry, Friends of the Homeless, Valley Opportunity Council, New England Farm Worker's Council, Western MA Network to End Homelessness, housing authorities and other agencies

- working with homeless families.
- b. Advertisements will be placed in the Springfield Republican, Craig's List, El Sol (Spanish) and the Mass Access registry for a period of 10 days and the Application Period will be at least 60 days. The lottery application will address a household's income, assets, size and composition, and (optional) minority status. Management will verify eligibility and only applicants who meet the applicable eligibility requirements shall be entered into a lottery.
 - c. Marketing shall be included in non-English publications, which has been determined to be Spanish and Vietnamese based on the prevalence of those language groups in the area.
 - d. All marketing shall be comparable in terms of the description of the opportunity available, regardless of the marketing type (e.g., local newspaper vs. minority newspaper). The size of the advertisements, including the content of the advertisement, as well as the dates of the advertising unless affirmative advertising occurs first, shall be comparable across regional, local, and minority newspapers.
 - e. All advertising and marketing materials shall indicate resident selection or other random selection procedure, where applicable.
 - f. All advertising shall offer reasonable accommodations in the application process.
 - g. Advertisements shall run a minimum of two times over a sixty-day period and shall be designed to attract attention. Pursuant to fair housing laws, advertising/marketing will not indicate any preference or limitation, or otherwise discriminate based on race, color, disability, religion, sex, familial status, sexual orientation, gender identity, national origin, genetic information, ancestry, children, marital status, or public assistance reciprocity. All advertising and marketing materials portraying persons should depict members of classes of persons protected under fair housing laws, including majority and minority groups as well as persons with disabilities.
 - h. The Fair Housing logo and slogan "Equal Housing Opportunity" will be included in all marketing materials.
 - i. Applications shall be available at public, wheelchair accessible locations, including the local public library that is opened in the evening and shall include a telephone number, as well as the TTY/TTD telephone number, that persons can call to request an application by mail, email or fax. Applicants will not be required to appear in person in order to receive or submit applications

Historic Preservation Information

- Rehabilitation of the former Elias Brookings School will be conducted in conformance with the Secretary of Interior's Standards for Rehabilitation. Plans have been reviewed and approved by Massachusetts Historical Commission (MHC) and US Department of Interior National Park Service (NPS). MHC approval letters are attached in Tab 3. NPS Part 1 and Part 2 approvals are attached in Tab 2. Initial certification by MHC found that the building "meets the criteria of eligibility for individual listing in the National Register of Historic Places...for associating with the development of the Six Corners area of Springfield and...as a good example of a school building in the Collegiate Gothic style."
- HCDCI has been awarded State and federal Historic Rehabilitation Tax Credits as part of the financing for the proposed improvements. Post-rehabilitation inspection by Epsilon Associates, Inc., followed by Part 3 review and approval by MHC and NPS will ensure that the work complies with the Secretary's Standards.
- Elias Brookings School was built in 1925
- Considering the long-term deed restriction for use of the property as affordable housing mandated by MA Department of Housing and Community Development, HCDCI does not see a need for a preservation restriction for the property.

II. NARRATIVE

Project Summary

HCDCI seeks \$500,000 of Community Preservation Act funds for the rehabilitation of the historic, former Elias Brookings School into 42 affordable rental apartments. Fourteen (33%) of the apartments will be set aside for households with income at or below 30% of AMI, with twenty-one (50%) of the apartments set aside for households with income at or below 60% of AMI. Seven apartments (17%) will be structured

as workforce housing to serve households between 61% and 80% of AMI.

The Elias Brookings School was constructed in 1925 and served as a Springfield public school until it sustained damage during the June 1, 2011 tornado. HCDI purchased the property from the City of Springfield in June 2018 for the purpose of creating affordable rental housing with on-site supportive services for a variety of resident needs. The proposed adaptive reuse of the building into affordable housing is consistent with both the community housing and historic preservation requirements of Springfield's Community Preservation Plan.

Proposal Description

The project will provide safe, high-quality affordable rental housing and contribute to the revitalization of the Old Hill and Six Corners neighborhoods. Demand is strong for quality affordable housing in Springfield. A December 2019 market study commissioned for the project found that: "Vacancy rates of complexes comparable to the subject range from 0% to 4%. During the past five years, market rate rents for similar projects increased from 10% to 25%, a range that exceeds the change in average wages for the region." Further, the study determined that for the 35 apartments affordable to households with incomes below 60% of AMI, the project needs to achieve a capture rate of less than 1% (0.20%) within the City of Springfield and a lower capture rate of 0.10% for Hampden County. For the 7 workforce housing units with incomes below 80% of AMI, the project needs to achieve a capture rate of less than 1% (0.18%) within the City of Springfield and a capture rate of 0.06% for Hampden County.

Elias Brookings Apartments meets Springfield Community Preservation Committee's (CPC) historic preservation priorities in that it adaptively re-uses a deteriorated, vacant historic building. Unless converted to housing, the historic structure is likely to be demolished. City officials have stated that the only hope for saving the building is rehabilitation using Low Income Housing Tax Credits. Utilizing the combined resources of over \$19.4 million, HCDI's expected outcome is the successful rehabilitation of the building into 12 one-bedroom, 25 two-bedroom, and 5 three-bedroom apartments.

A large, symmetrical brick building in the Collegiate Gothic style, the former Brookings School is notable for the high-quality materials with which it was executed in 1925. The school's handsome exterior and interior ornament includes figural and foliate motifs among other details whose romantic appearance evokes ancient European centers of learning. Despite sustaining some damage in the 2011 tornado, its interior corridors, classrooms and double-height gymnasium/auditorium wing retain a high degree of structural and aesthetic integrity. Funding from the CPC is needed to assist HCDI with the cost of historic preservation elements of the project. In particular, re-creation of the original windows in a manner acceptable to NPS adds considerable expense to the project yet results in a rehabilitation that closely resembles the original building. Other historic preservation elements that add cost to the project include restoration of terrazzo corridor floors, repair of the wood gymnasium floor, restoration of the gym space for community use, and re-creation of decorative carved "grotesques" embedded in corridor walls (see photo in tab 9).

HCDI has worked towards providing a full range of housing opportunities for moderate and low-income families and individuals in the Springfield area. HCDI and HMR are experienced with coordinating services that promote resident self-sufficiency, and supportive services for formerly homeless and special needs populations. Using the same network of service providers and community groups that has proven so successful at its Bay Area Neighborhood Resource Center, HCDI proposes to use the gym area of the former school building to create a vibrant, community-centered 2,800 square foot Resource Center to serve the residents of Elias Brookings Apartments and the surrounding neighborhood. Connections to the adjacent Ruth Elizabeth Park will further expand the recreational opportunities for residents.

Feasibility & Sustainability

Construction of Elias Brookings Apartments is highly ready to proceed. Construction drawings and specifications are 70% complete and Allegrone Construction Co., Inc. has been selected as general

contractor. HCDI has advanced project plans so that it can commence construction within four months of an award by DHCD. A zone change, Special Permit, and zoning variance have been approved by the City Council and Springfield Zoning Board of Appeals, respectively.

National Park Service Part 1 and Part 2 approvals have been obtained and Massachusetts Historical Commission has made 4 awards of State historic tax credits to the project. NPS has completed its Part 2 approval of the project, ensuring that over \$3.2 million of historic rehabilitation tax credits are available for the project. MHC has awarded \$800,000 to date of historic rehabilitation tax credits, with another \$400,000 expected later this year. The City of Springfield has committed \$100,000 of HOME funds to Elias Brookings Apartments. In December 2019 HCDI submitted a funding pre-application to DHCD. HCDI was invited by DHCD to submit a complete application, and in February 2020 submitted a OneStop application to DHCD for a variety of affordable housing resources needed to undertake the rehabilitation of the structure, including: Low Income Housing Tax Credits; a variety of soft debt funds; and project-based rental subsidies. A decision by DHCD is expected in July 2020.

LIHTC syndicators (Tab 2), historic tax credit syndicators (Tab 3), construction lenders (Tab 5) and permanent lenders (Tab 6) have shown considerable interest in providing the financing needed for the Elias Brookings Apartments project. Letters of commitment or letters of interest have been received and are attached. Selection of tax credit syndicators and lenders will be finalized after a funding award by DHCD. See the attached 20-year operating proforma for Elias Brookings Apartments which demonstrates the long-term sustainability of the project.

Applicant Experience

HCDI has a significant track record of accomplishment in the creation and preservation of affordable housing in Springfield. It recently completed renovations and lease-up of 101 affordable single-room-occupancy units at the former Springfield YMCA building at 275 Chestnut Street. Other completed developments include:

- Phase I and Phase II of E. Henry Twiggs Estates comprising 136 scattered-site apartments in the Upper Hill and Bay neighborhoods
- 47 apartments in 4 buildings known as Cross Town Corners.
- Liberty Hill Town Homes (88 apartments)
- Tapley Court, 30 apartments at 221 Bay Street

See Tab 1 for materials describing the professional experience of HCDI, HMR, Davis Square Architects, and Allegrone Construction, Inc.

III. TIMELINE

Construction drawings 70% complete	February 2020
OneStop application submitted to DHCD	February 2020
DHCD funding award	July 2020
Building Permit issued	October 2020
Closing on all project financing	November 2020
Commence Construction	November 2020
Complete Construction	January 2022
Certificate of Occupancy	January 2022
100% Tenant Occupancy	April 2022

IV. BUDGET

Please see attached Sources and Uses of Funds

V. ATTACHMENTS

- Tab 1 Professional qualifications of HCDI, HMR, Davis Square Architects, and Allegrone Construction Co., Inc.
- Tab 2 Federal LIHTC and Federal Historic:
- National Park Service has issued a Part 2 approval for the project indicating that the property is eligible for federal Historic Rehabilitation Tax Credits.
 - Massachusetts Housing Investment Corporation
 - National Equity Fund
 - Alliant Capital
 - CREA
- Tab 3 State Historic:
- MHC approval
 - MHC has awarded \$800,000 of MA Historic Rehabilitation Tax Credits to date. Another application for MA HRTCs was submitted to MHC in January 2020. HCDI will submit additional applications to MHC in 2020.
 - Dorfman Capital
 - Clocktower Tax Credits
 - National Equity Fund
- Tab 4 Local Funding:
- City of Springfield - \$100,000
- Tab 5 Construction Financing:
- TD Bank
 - Boston Private Bank & Trust Company
- Tab 6 Permanent Financing:
- MassHousing – Workforce soft debt and permanent loan
 - TD Bank
 - Massachusetts Housing Partnership
 - Boston Private Bank & Trust Company
 - New Valley Bank & Trust
- Tab 7 Letters of Support. Please see attached letters of support from:
- Mayor Domenic Sarno
 - Congressman Richard Neal
 - Springfield City Councilor Melvin Edwards (the local Ward Councilor)
 - State Representative Bud Williams
 - State Representative Jose Tosado
 - Senator Jim Welch
 - Maple High/Six Corners Neighborhood Council
 - Old Hill Neighborhood Council
 - Springfield Historical Commission
 - Girls Inc. of the Valley
 - Western Massachusetts Coalition to End Homelessness
 - Springfield College Center for Service and Leadership
- Tab 8 Maps
- Plot plan
 - Property Record Card
 - Zoning Map

Tab 9 Architectural Plans, Elevations and Site Plan – Plan set does not include mechanical, fire protection, plumbing and electrical drawings, which are available upon request
Building Rendering

Tab 10 Photographs

Tab 11 Operating Pro Forma

Tab 12 Quitclaim Deed