



SALEM POINT revitalization

AFFORDABLE HOUSING, REVITALIZED COMMUNITIES
2012 AFFORDABLE HOUSING DEVELOPMENT COMPETITION

TABLE OF CONTENTS

Credits

Executive Summary

History

Site Context

Community Outreach

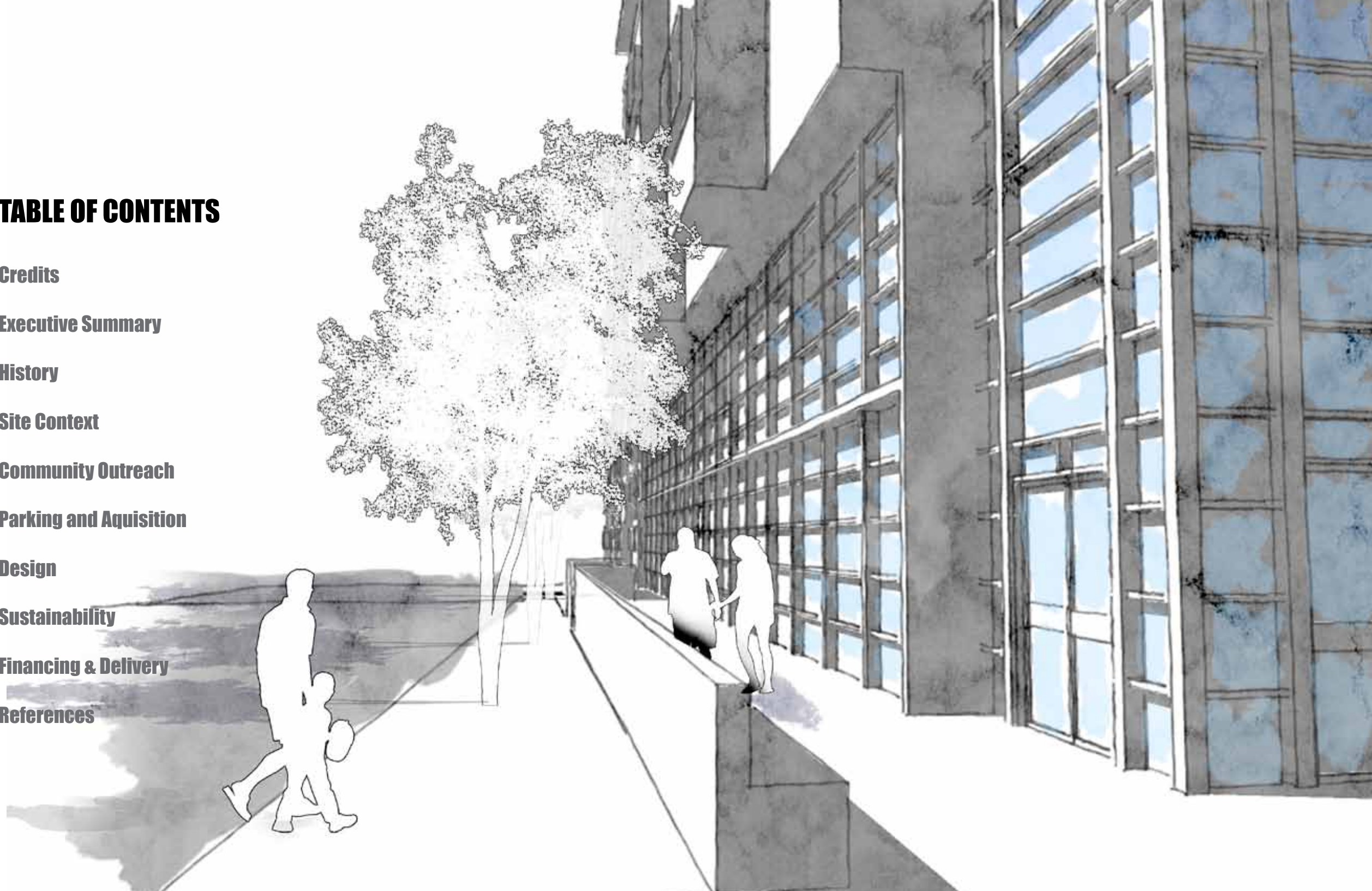
Parking and Aquisition

Design

Sustainability

Financing & Delivery

References



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Federal Home Loan Bank of Boston

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About

The North Shore CDC is renowned in its dedication to building quality homes and strengthening communities throughout the region. They strive to provide high-quality, sustainable housing that will foster economic empowerment and community development on the North Shore and have established a formidable track record in the area helping to revitalize blighted communities and promote advocacy.



**Right: A recent project by North Shore.
Cabot Street Residences, Beverly**

Team

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**Right, North Shore's Palmer Cove Apartments,
Salem MA**

Mentors

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Judging Criteria

Design

Pioneers a heroic scale of rental housing in the Salem Point neighborhood while integrating flexible and accessible community spaces into the area and promoting more consistent and productive opportunities for social interaction.

Offers a variety of unit types and sizes to accommodate different family sizes and needs.

Redevelops formerly underutilized parking lots and vacant properties into iconic community assets, while activating once desolate street fronts.

Incorporates an integrated outdoor patio and green space into common areas and the formal community center.

Community Impact

Provides high-quality, well managed affordable housing for families earning between 30% of Area Median Income (AMI) and 60% AMI.

Offers new child care services and facilities for working families with young children and single mothers.

Places more eyes on the neighborhood's streets and park spaces, creating a sense of place and belonging for area residents and discouraging the prevalent drug use and violent crime.

Environmental Sustainability + Building Performance

Meets criteria for both LEED Gold Certification and Energy Star Version 3 for new homes.

Takes advantage of its proximity to Salem's historic downtown and to the city's commuter rail station by helping residents gain access to transit and job centers with the assistance of on-demand, shared shuttle services operated by North Shore.

Ensures healthy and comfortable indoor living conditions for residents by optimizing ventilation and energy recovery in all units.

High Performance appliances and building systems, in conjunction with a well detailed, air-tight building envelope helps to reduce consumption and waste, and increase affordability for residents.

Project Financing

Used a variety of financing options with the aim of decreasing the total amount of public subsidy to bring this project to fruition. Currently our project uses only \$13, 139 in public subsidies.

Searched for funding sources like the 4% LIHTC and TIF that would be available within a shorter span of time, which will speed up the development and placing of 68 units of affordable housing in the Point.

Designed the project and financing to target households that are at 30% and 60% of the AMI. We have used these lower amounts even though some sources would allow income targeting to higher incomes. This is due the lower incomes and current Salem market as well as close collaboration with the North Shore CDC to target this development to meet the needs of the Point community.

Project Feasibility

Builds off of North Shore CDC's formidable track record of developing and managing high-quality, sustainable affordable housing in Salem.

Acquires site control through a negotiated form of purchase, lease-back and controls the quality and direction of deed contingencies like provisions for on site parking.

Benefits from an outpouring of community support from neighborhood residents, local business and nearby schools and churches.

Guarantees a consistent and sustainable level of high-quality maintenance, services and asset management by providing new office and administrative facilities for North Shore in the new development.

Assembles an innovative mix of financing sources with a carefully scrutinized project phasing schedule to ensure high-quality project delivery.

Project Innovation

Integrates lively and accessible common spaces in each of the properties to promote a regular sense of community.

Proposes an on-demand shuttle service for neighborhood residents to help reduce the burden of commuting for working families.

Introduces a new day care facility in the development to aid young working families.

Residents will realize a high savings rate from the lower operating costs of the new units which can be contributed to a formal savings program or lease-to-own program if residents choose.

Demonstrates how potential project liabilities can be turned into inspiring assets, with the proposal for the continued development of the Lynch Street parking structure into additional apartments, or commercial leasable space in the future.

Incorporates the neighborhood's need for cultural space and exhibition space for public art by designating certain facades of new buildings for public mural exhibitions.

Provides a flexible public community space for the neighborhood and city in general to be used as a polling center and other municipal functions as well as for supplemental spaces for local cultural and community centers like the Salem Historical Society and Peabody Essex Museum.

Executive Summary

Operating under the basic premise that substantive and lasting redevelopment builds off of the collective will and needs of existing communities and organizations on the ground, this proposal for the construction of three affordable rental developments in Salem Point is a heroic first step in the revitalization of a marginalized and often forgotten community. Presented within the following pages is a provocative and nuanced proposal assembled in partnership with The North Shore CDC for a community revitalization initiative that seeks to fundamentally alter Salem's common understanding of The Point and help to cultivate new, more palpable ideals of community, self-reliance and participation.

Spread between three separate sites in Salem Point, this proposal responds directly to Salem's brimming need for affordable housing while integrating the existing community's pent up need for accessible community spaces, formal cultural space and a closer more collaborative relationship with North Shore. The proposal provides a total of sixty-eight units of affordable rental housing between three separate buildings on Lynch Street, Congress Street and Palmer Street, along with 6,000sf of new onsite office space for the CDC, a new day care center and 3,000sf of community space located in the Congress Street property.

Currently fewer than 4,000 people live in The Point, housed in approximately 1,500 units within a 0.3 sq. mile radius. The neighborhood has a strong Dominican and Creole population with nearly a quarter of households headed by single mothers living below the poverty line.

Between the three new buildings, 10% of the new units will be reserved for very low-income families earning 30% of Area Median Income (AMI), while 70% of the new units will be affordable for families earning 50% AMI and 20% of the units will be set to be affordable for families earning 60% AMI. In working towards addressing these economic and housing needs in Salem Point, this proposal attempts to incorporate the provision for affordable housing with many resident's need for job-training and child care services, and positioning new community and administrative spaces for North Shore as a neighbor to its residents is a crucial first step in effectively implementing and monitoring such programs.

In developing the programming and assessing the financial feasibility and design for the three sites, our efforts were originally complicated by a burdensome provision for parking mandated by the property's current owner. The owner of the Lynch and Congress Street properties required that any new development had to provide space for 180 parking spaces to service adjacent properties also under his ownership. Reconciling this provision for parking with the parking requirements for the new residential proposal proved to be a formidable challenge that would undergird nearly every design and financing decision we made. As is explained in the preceding pages, financial feasibility was demonstrated through a nuanced phasing of Low-Income Housing Tax Credit (LIHTC) equity, state housing subsidies and construction and permanent loans for affordable housing.



Our design evolved along similarly nuanced lines, demonstrating the extent to which a potential liability (i.e. 180 spaces of parking) can be used as a provocative design asset and symbol for change in the neighborhood.

The unit designs in each building provide a diverse mix of sizes and layouts to accommodate varying family sizes and age groups. Each building is designed to promote a sense of community and encourage regular social interaction amongst residents. Each building has central, shared entry and lobby spaces which can serve as social and community gathering space, as well as communal laundry and mail room facilities to increase resident interaction and sociability. Additionally, through the strategic use of high performance materials, well-detailed envelope design and efficient ventilation and energy recovery systems, all three of North Shore's new apartment developments will qualify for LEED Gold Certification, while far exceeding the performance criteria of Energy Star's prescriptions and saving residents on average 60% in annual utility expenses.

With its accomplished history and commitment to Salem Point, North Shore CDC and its dedicated development team are well positioned to make this project a reality. Between these three sites, North Shore will be able to compellingly address some of the neighborhoods most formidable socio-economic needs in the near term while demonstrating the potential for continued growth and revitalization in the years to come. In addressing both the community's immediate need for affordable housing and the neighborhood's desire for more accessible civic spaces, this proposal will serve as an inspiring model for future community development initiatives that seek to incorporate well designed, well-positioned housing development into the mainstream of community redevelopment practice.



Existing Conditions at Palmer Street Property

History

Salem is located on the northeast coast of Massachusetts, north of Boston, at the mouth of the Naumkeag River. The city of Salem was founded in 1626 by Roger Conant and a group of immigrants from Cape Ann. The settlement was first called Naumkeag after the river but was preferred by the settlers to be called Salem which, was derived from the Hebrew word for peace.

Salem is most commonly remembered for the witchcraft hysteria that dominated the area at the end of the 17th century. These events began around 1692, with a local physician diagnosis of several teenage girls being in a state of bewitched, which resulted in the hanging of 19 persons and one being crushed to death. There are numerous sites where this history can be explored in Salem, such as the Salem Witch Museum and the Peabody Essex Museum.

There were numerous events that also held shape and build the context of the city of Salem. One example is that the first provincial assembly of Massachusetts was held in Salem, in 1774. Nathaniel Hawthorne was born in 1804 in Salem, which the house he lived in has been believed to inspire him to write *The House of Seven Gables*.

Due to Salem's close proximity to the water, by 1790 Salem was the sixth-largest city in the country and possessed a world famous seaport. This time encompassed the thriving trading relationships particularly with east India and China trades.

Many individuals made their millions and settled down in Salem. Today several historic waterfront areas are still in existence such as Pickering Wharf.

Today, Salem continues to be a vibrant waterfront city with a strong historical heritage and sense of community. Salem is a residential and tourist area which includes the districts of Salem Neck, The Point, South Salem, and North Salem, Witchcraft Heights, Pickering Wharf, and the McIntire Historic District. Downtown Salem continues to remain one of America's most storied colonial towns, which is reflected in its architecture ranging from 17th century to 21st century vernacular. Furthermore, downtown Salem was named in 2008 one of 10 APA Great Neighborhoods in America.



The Point neighborhood is located just south of the Downtown and Derby Wharf neighborhoods of Salem. This neighborhood was originally surrounded by water on three sides, which is where The Point derives its name from being called the vanished Stage or Long Point. The historical Point narrow land mass extended into Salem Harbor shadowed behind the mill buildings that used to service a thriving textile industry. The area's early land shorelines were organized by fish drying racks and shipyards, however due to the need of new factories and homes shallow areas were filled in and new streets were constructed.

Salem's growth is directly linked to the continual influence of a strong immigrant community, which helps drive this urban and tight-knit neighbourhood. During the early part of the twentieth century, numerous Point residents were employed by Naumkeag Steam Cotton Company Mill, which was the city largest employer of that time. The Mill occupied the entire Salem Harbor waterfront in the Point.

Due to the neighborhood's close proximity to the Mill, early structures in the neighbourhood mostly consisted of affordable and multi-family housing, focused on a working class population. The Great Salem Fire of June 25, 1914 destroyed most of the Point's neighbourhood. The mills were rebuilt into the vast structures, that can be seen today.

French-Canadians made up of most of the early immigrant population. In recent years the population has evolved into a community of mostly Spanish-speaking immigrants.

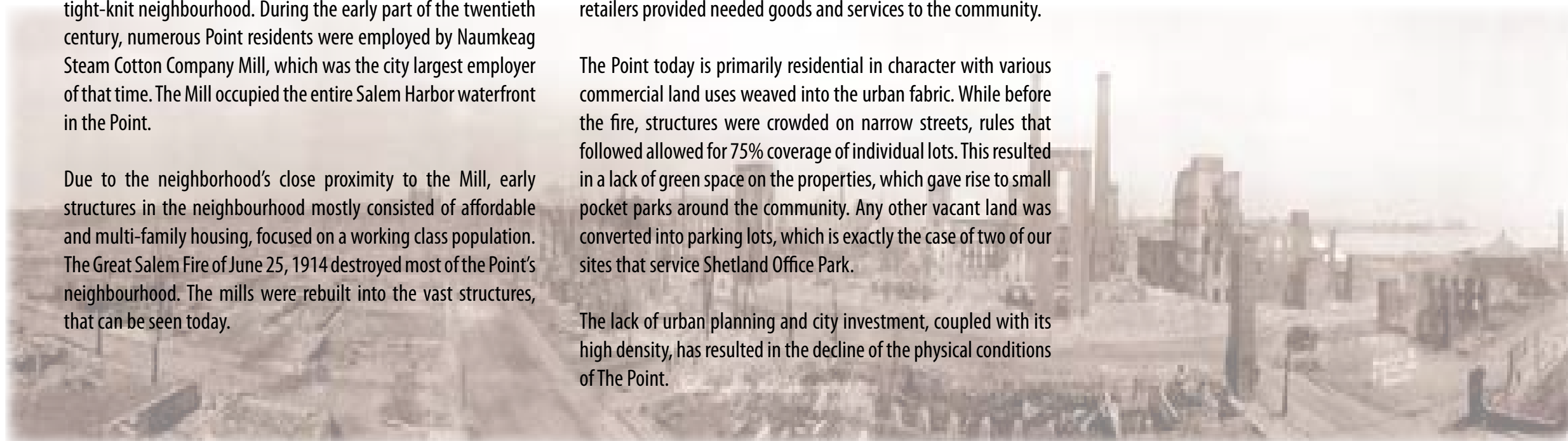
The turning point in this thriving community's history was in 1953 when the Naumkeag Steam Cotton Company Mill moved out of the state, consequently causing major job loss in the city of Salem. The Mill buildings were repurposed into Shetland Office Park, which continues to claim the entire waterfront in the Point. This building is mainly occupied by light manufacturing companies, research and development groups, and small business owners. This began the neighborhood's development of small commercial district areas along Lafayette St and Congress St. These small retailers provided needed goods and services to the community.

The Point today is primarily residential in character with various commercial land uses weaved into the urban fabric. While before the fire, structures were crowded on narrow streets, rules that followed allowed for 75% coverage of individual lots. This resulted in a lack of green space on the properties, which gave rise to small pocket parks around the community. Any other vacant land was converted into parking lots, which is exactly the case of two of our sites that service Shetland Office Park.

The lack of urban planning and city investment, coupled with its high density, has resulted in the decline of the physical conditions of The Point.

Many of the pocket parks and small green spaces have been run down and have been littered with graffiti and trash. These small parks have also contributed to the high crime rate of The Point by providing meeting locales for such activities.

Another significant issue is the lack of the cities investment regarding street cleaning, which only takes place twice a year. Overall, the existing state of The Point neighbourhood needs substantial new investment if Salem wants to every revitalize this once thriving community.



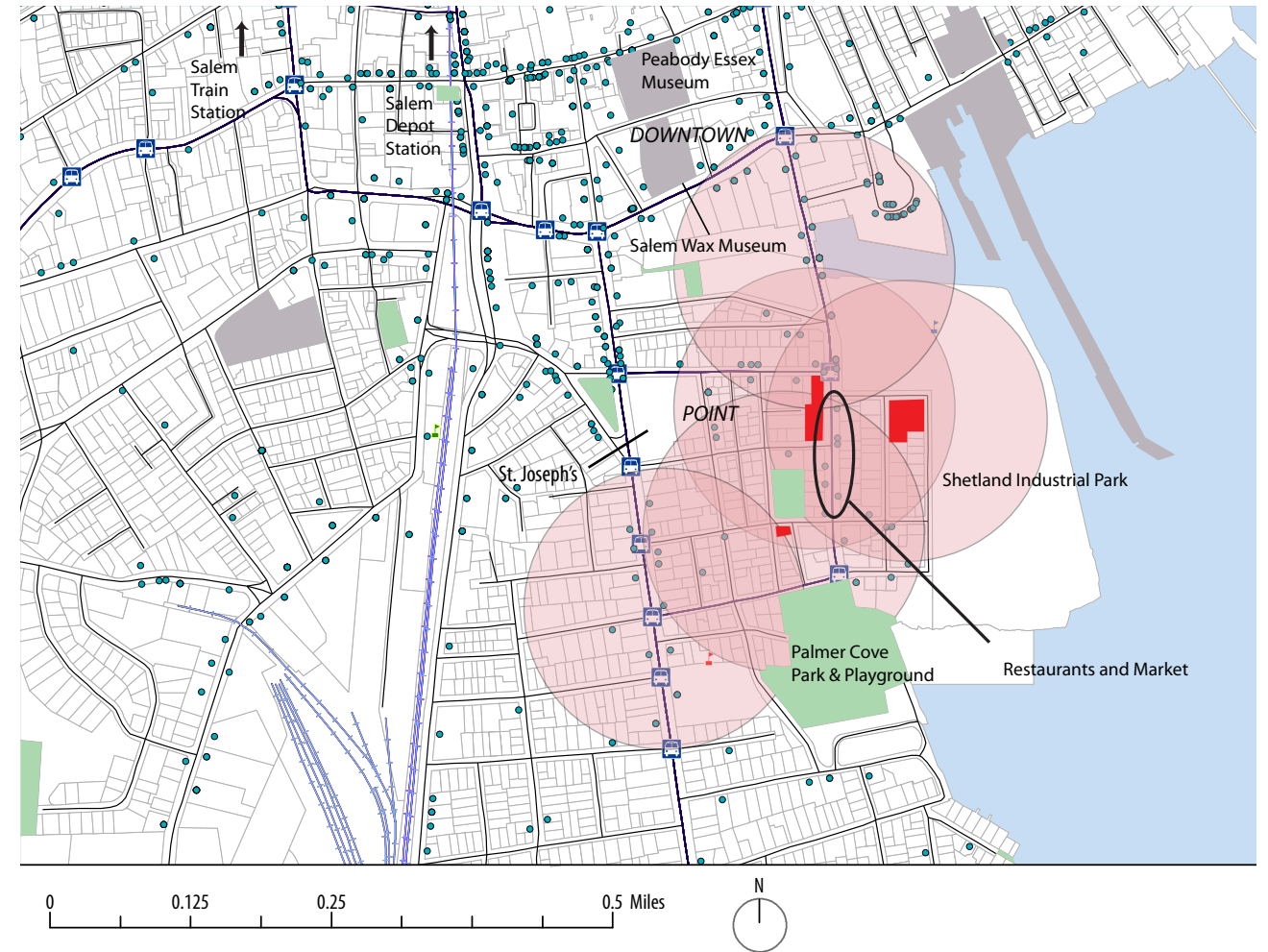
Existing Context









The map to the right shows the concentration of businesses to the north of the Point neighborhood in the Downtown area.

We also see the large number of bus routes found along the main streets in the Point, Lafayette St and Congress St.

The photographs to the left illustrate the existing context along Congress and Lynch streets and paint a general picture of The Point Neighborhood.

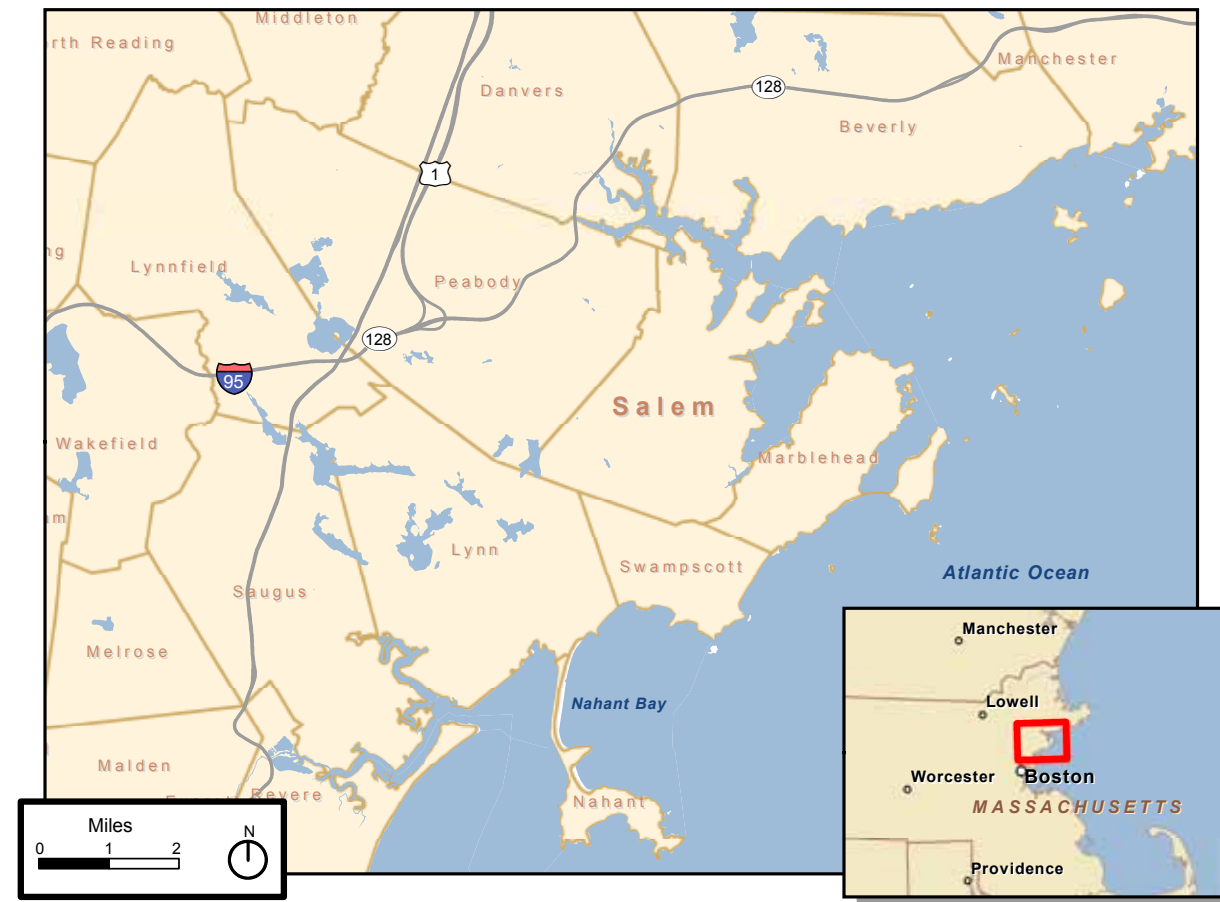


Map Legend

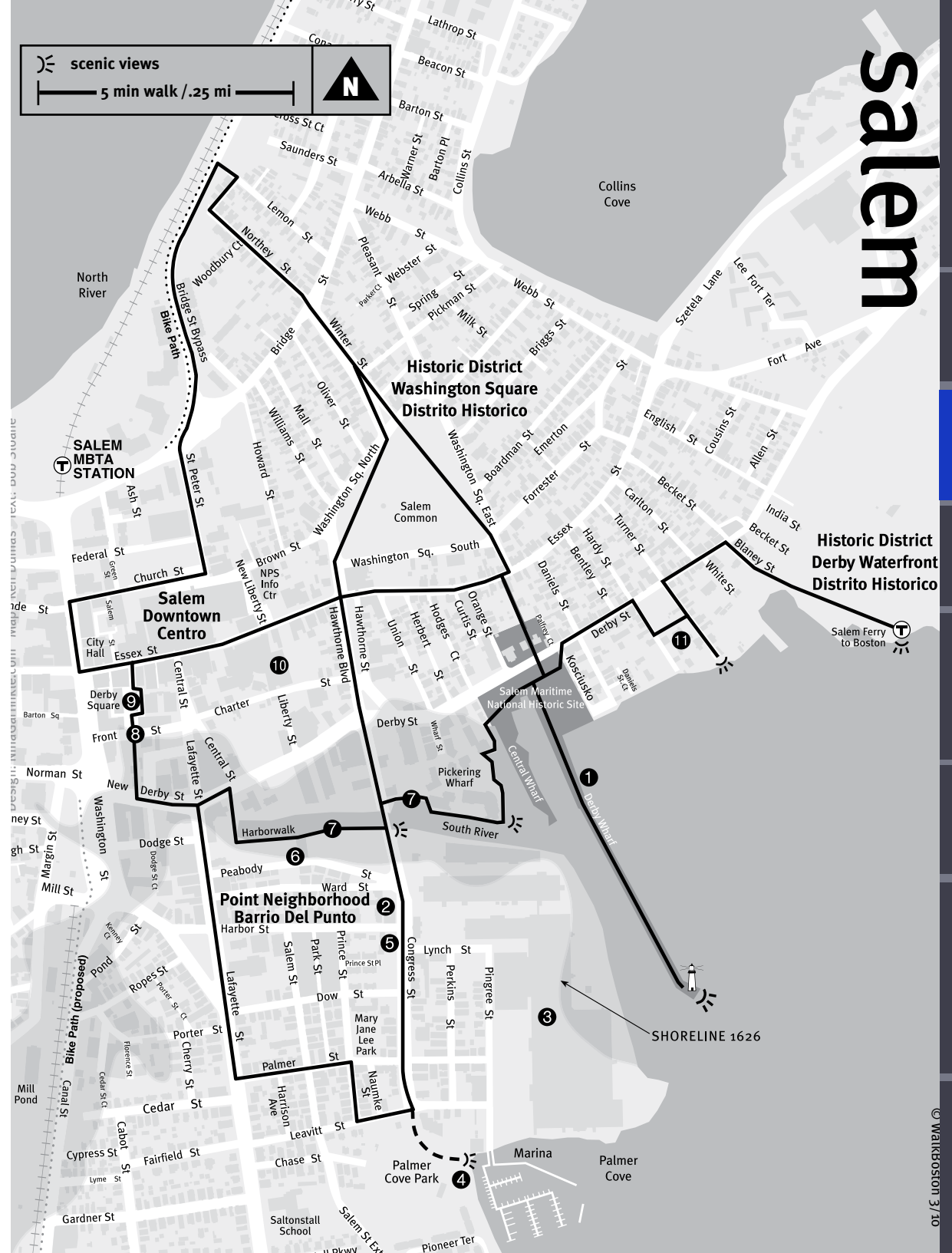
-  Bus Stop
-  1/8 mile radius
-  Business
-  Development Parcels
-  Open Space
-  Historic Building

Salem Point In Context

1. Derby Wharf and the Friendship
2. Point Neighborhood
3. Shetland Park Waterfront Business Center
4. Palmer Cove Park
5. Building murals
6. Peabody Street Park
7. South River Harborwalk
8. Artists Row
9. Old Town Hall
10. Peabody Essex Museum
11. House of the Seven Gables

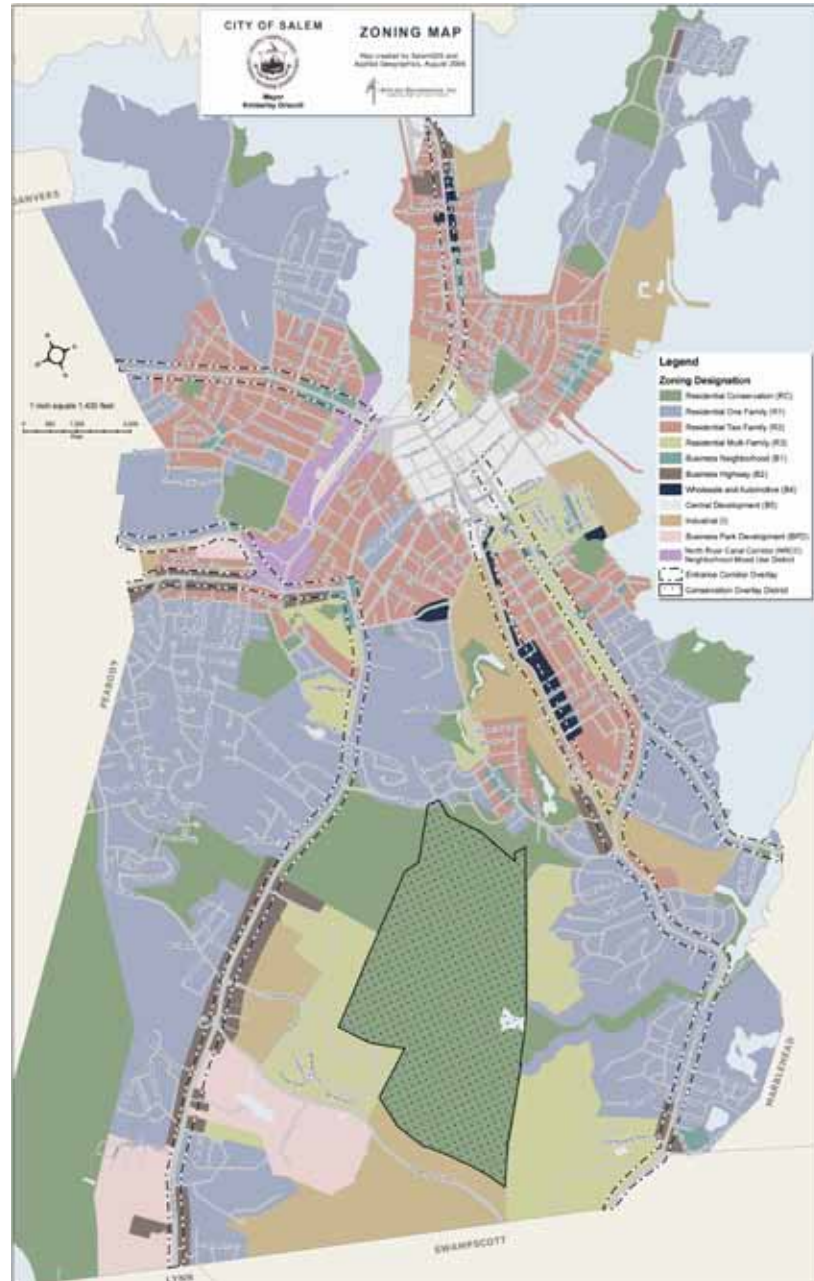


Salem's Regional Context



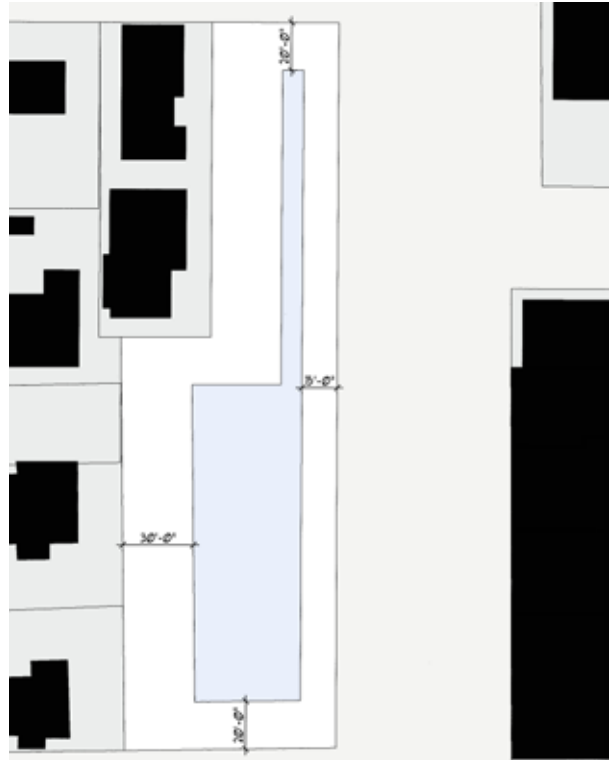
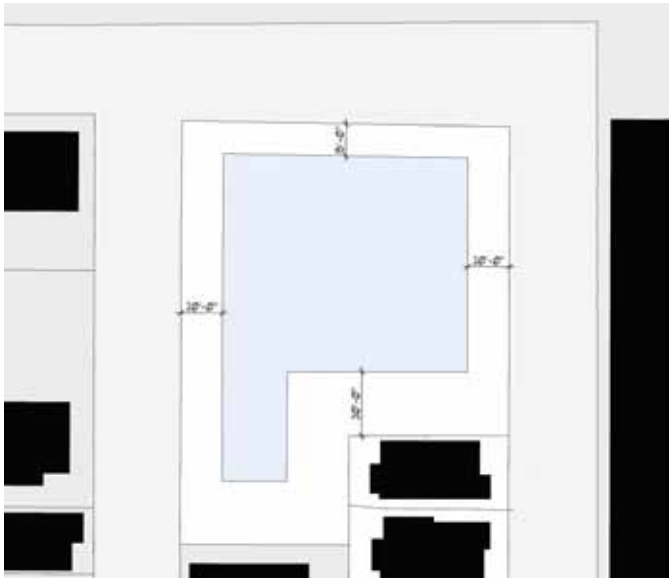
salem

Zoning + Existing Conditions



ZONING REQUIREMENTS:	REQUIRED	16 LYNCH ST (PROPOSED)	78 CONGRESS ST (PROPOSED)	38 PALMER ST (PROPOSED)
R3 PRINCIPAL USE ON ALL SITES				
Minimum Lot Area (sq. ft.)	25,000	27,973	23,282	3,041
Minimum Lot Area Per Unit (sq. ft.)	3,500	1,034	582	1,013
Minimum Lot Frontage	100	158	304	65
Minimum Lot Width	100	158	93	65
Maximum Lot Coverage (percent)	35	35	39	67
Minimum Depth of Front Yard (feet)	15	3	8	1
Minimum Depth of Side Yard (feet)	20	SR-8/SL-2	SR-3/SL-0	1
Minimum Depth of Rear Yard (feet)	30	0	10	0
Maximum Height of Building (feet)	45	45	45	30
Maximum Height of Building (stories)	3.5	4	4	3

The above table references the requirements noted in the zoning bylaws for Salem, Ma, organized by each of the site's proposed designs. The existing zoning conditions for each site were calculated and the setbacks are reflected in the diagrams on the opposite page to show how design strategies on each site compare to adjacent properties. In order to achieve the required number of units and accommodate the provision for parking, zoning variances will be required to allow for the increase in the overall area and height. The proposal however is careful to maintain the existing relationship to the street edge that has been set by neighboring buildings and remains sensitive to the heights and massing of adjacent buildings.



Lynch Street



Palmer Street



Congress Street

Our Mission

Increase the Supply of quality Affordable Housing in Salem Point, and reinstall a sense of community and neighborhood pride.

The high levels of crime and drug use in the neighborhood have been identified as key issues facing its residents. The community is also seemingly cut off from Salem's downtown, directly to its North, limiting economic growth potential in the largely low-income immigrant Point neighborhood. The North Shore CDC has encouraged continual investment and neighborhood based activity to establish a sense of community and place for its residents. This new housing project is a crucial component in the Point's growth, safety, and reconnection to Salem's downtown. New, well managed projects, let neighbors know that someone is present in the area that cares about its well being. In addition to providing much needed housing in an overcrowded neighborhood, this project will provide the neighborhood with a sense of revitalization and growth. Since the developments will be owned and managed by the CDC, they fit into the CDC's overarching work in the neighborhood.

Increase Supply of Affordable Housing

The Salem real estate market has suffered significantly from the real estate crisis; the city currently ranks 26 out of 331 towns within Massachusetts for foreclosures.

This trend has pushed more people into the rental market and reduced the supply of affordable housing within the city. Neighborhoods like the Point with low-income borrowers vulnerable to sub-prime lending have been acutely affected by this.

In comparison to nearby towns, Salem's rents seem affordable but upon closer inspection these rents are not in line with incomes in the area. Salem's Consolidate Five Year Plan notes that 26% of renters pay more than 50% of their incomes in housing costs, and over 50% of renter pay more than 30% in housing costs.

Growth and development within Salem has been slow to recover, particularly in low-income areas. No new developments have occurred in the past 5 years within the Point neighborhood. The last major development of affordable housing in Salem was the Palmer Cove Apartments which was completed 5 years ago.

The St. Joseph's Redevelopment which would add 51 units of affordable senior housing to the area has been stalled for 7 years. This development however, would not serve the majority of low-income families living within the neighborhood.

While the Point neighborhood includes rental housing because of the incomes and vulnerability of the population there remains a need to increase the affordability and quantity of this stock and produce better quality affordable units.

Provide New Civic/Community Spaces

A strong sense of community can be fostered through a space in which residents can gather for activities, exchange ideas, and provide support for one another. In a small immigrant community, these networks and links are based on cultural ties. However, a lack of communal meeting space can undermine this connection, isolate households and lead to a real or perceived disempowerment of residents.

Youth spending their time loitering in the streets is a top problem identified by the residents of the Point. This tends to pose a safety problem and waists the potential of the community's youth. The North Shore CDC has developed a variety of activities directed towards the education and leadership skills of young adults and youths in their region. The community center will finally provide a space for the CDC to host these activities and incorporate residents into regularly occurring functions.

One of the new residential buildings will provide the neighborhood with this long awaited amenity. Congress Street will include a 3,000sf community center that will create a place where community organizations and non-profits can provide necessary services for youth, elderly and immigrants in the neighborhood. Additionally, all three of the new residential buildings will have common entry areas, mail rooms, and laundry facilities which will encourage daily interaction.

Reconnect to the Downtown

The Point neighborhood is located directly to the South of Salem's historic Downtown district. The three development parcels in our proposal will close gaps in the existing street fabric, particularly along the main commercial corridor on Congress Street. Congress Street runs through the Point directly into the heart of the Downtown. New development along these routes will help to reactivate a formerly booming commercial corridor.

Additionally, reconnecting the Point to the Downtown will introduce new job opportunities and cultural institutions to its residents. With an unemployment rate of 15.6%, there is a clear need for economic revitalization. Salem's Downtown is home to a rich array of cultural institutions, including the Peabody Essex Museum and Salem Wax Museum. While these institutions are open to all, with a seeming physical barrier for Point residents, use has been limited.

Over the past 10 years, there have been extensive planning and investment initiatives undertaken in Salem's Downtown particularly in its retail and business sectors. The city also recently received a \$674,000 state parks grant to transform a vacant parcel of waterfront property on Peabody Street into a neighborhood park. This in conjunction with the nearly \$3.4 million Salem received to realize the completion of the Harbor Plan, which included the construction of a wharf and harbor walk, demonstrates the extent to which the city and community members are committed to pursuing aggressive revitalization initiatives.

Create safer spaces

Currently, high rates of violent crime and public drug abuse have tarnished Salem Point's reputation as a diverse and desirable neighborhood. Reclaiming underutilized parking lots and neglected vacant property will reactivate desolate parcels, reduce the prevalence of crime and give the neighborhood back to its residents. By increasing the number of eyes on the streets, eliminating dark, unpopulated interstitial spaces and encouraging the use of common gathering spaces, we believe that these three properties could be the beginning of an aggressive effort to finally help The Point realize its full potential.

Additionally, new construction and a well managed residential development reaffirms to the community that there is an active presence in their neighborhood and engenders a greater sense of pride and belonging among residents.

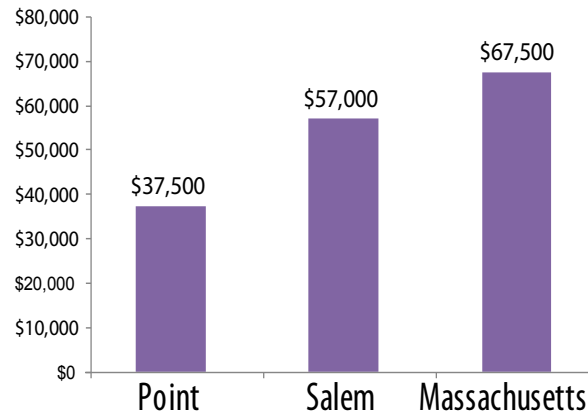
Beautification

Currently, The Point is characterized by trashed littered streets and poorly maintained low-income apartments. The process of turning parking lots into well managed residential properties will help in decreasing the prevalence of public litter in open areas and encourage residents to take a more active role in community maintenance.

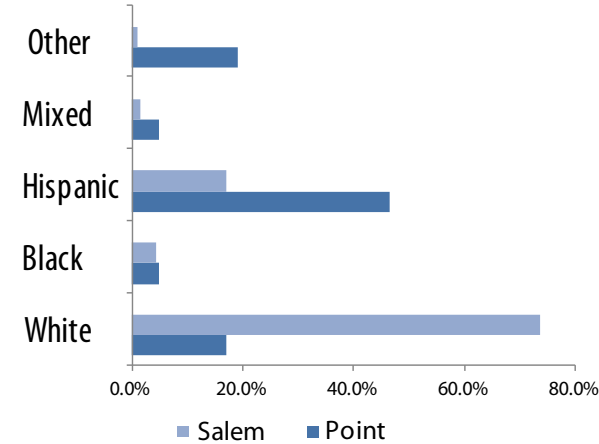


Demographic and Economic Profile

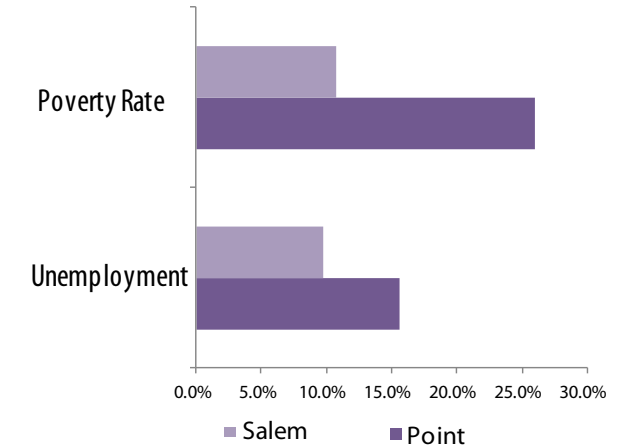
Income



Race



Poverty



Overview

The three development parcels are situated in the Salem Point Neighborhood. The Point has a population of 3,904 with 1,560 housing units over approximately 0.3 square miles. This translates to a density per square mile that is 2.6 times higher than the rest of Salem.

The residents are predominantly low-income Dominican families, with 19% non-US citizens. Most recently, there has been growth in the Haitian Creole population. The neighborhood is also characterized by its narrow streets and high density relative to the rest of the city.

Poverty

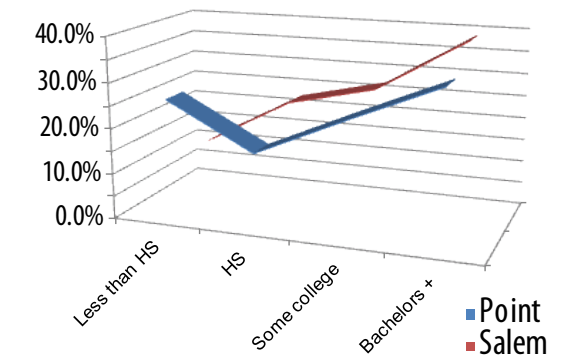
The poverty and unemployment rates are substantially lower in the Point than in Salem as a whole. While government officials recognize the high incidence of poverty in the neighborhood and the CDC has received funds to create programs to help residents, larger barriers to economic success still remain.

Many of the problems that will be discussed in the engagement section below are a symptom of this economic vulnerability. Public services to the Point have slowly been cut and there are limited job opportunities for its residents. This is particularly striking since Salem's Downtown neighbors the Point, but its residents are cut off from its benefits.

Vulnerable Groups

Single mother households and immigrant populations could benefit from specifically targeted programs, particularly to alleviate the burden to dependents and assist with activities related to their children. For this group, 27% are living below poverty. Job training programs may also be important in the neighborhood, responding to the 26% of householders without a high school diploma.

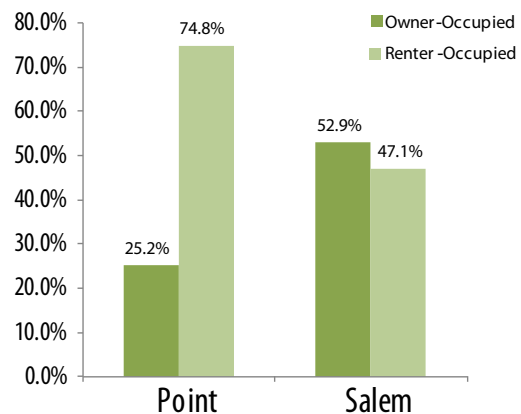
Educational Attainment



Age

	Point	Salem
Under 18	21.7	20.5
18-34	14.5	24.5
35-64	52.4	41.4
65+	11.3	13.7

Owner vs. Renter Units



Housing

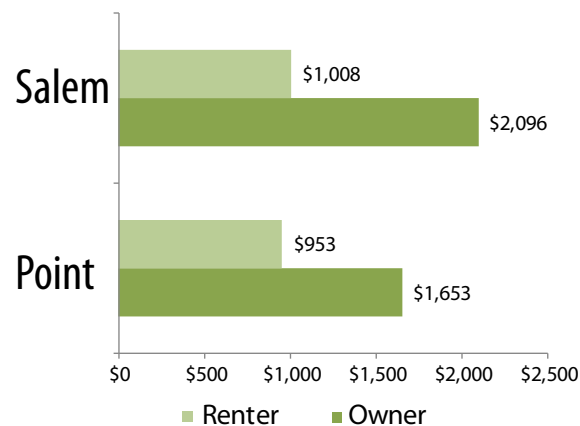
The Point has more rental units coupled with a greater amount of overcrowding in comparison to Salem as a whole. The average household size for renter-occupied units in the Point is 2.41 and for owner-occupied is 2. While for overall Salem, the average household size for owner-occupied units is 2.68 and for renter-occupied units is 2.17.

The median monthly housing costs for both rental and owned units is lower the Point than in Salem as a whole. This may be due to the lower quality and smaller housing available in the Point. Many of the rental apartments in the Point are owned by absentee landlords and are in dire need of repair.

Travel to Work

For those who are traveling to work, 18% walk in this community while only 6% of the Salem population walks to work. This could be related to the higher percentage of people in the Point who do not own cars, 34%

Median Housing Costs (monthly)

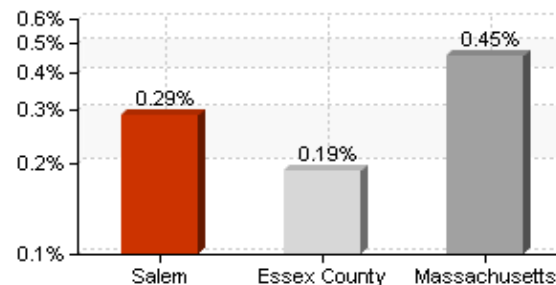


compared to 15%, but also suggests that a larger portion of people in the Salem Point community work closer to their homes than the rest of Salem.

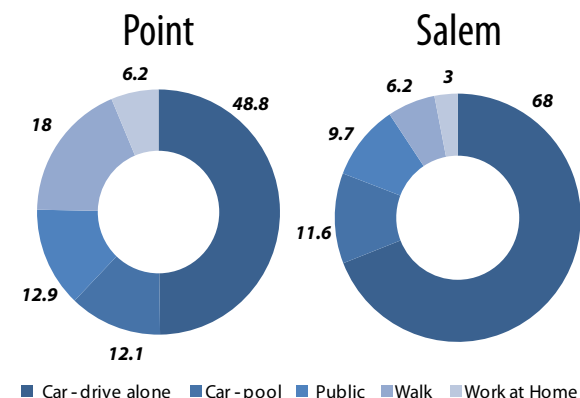
Crime

Crime in Salem is a major problem, with the crime rate 36% and property crime 21% greater than the Massachusetts average. The crime index is 23% greater than the Massachusetts average and 8% less than the national average.

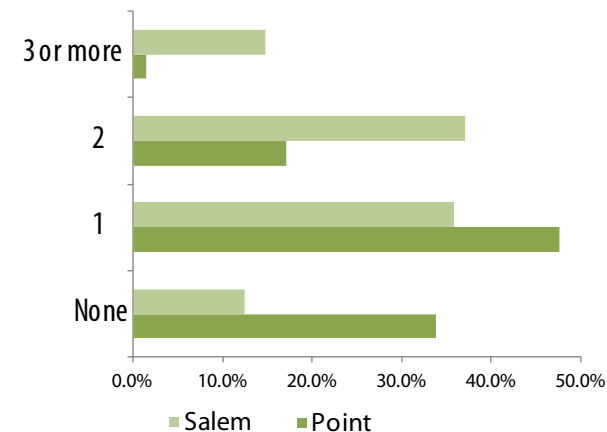
Violent Crime % of Population Affeted



Travel to Work



Car Ownership



Community Outreach

In the Salem Point neighborhood, community engagement is sensitive, particularly as it relates to this project. The North Shore CDC is unsure about the likelihood of this project due to site control and has been clear about the need to keep the project confidential and requested that we not contact anyone in the community. Any misunderstandings could jeopardize the project and hurt the trust that community members have in the CDC.

The community outreach process would be as outlined below. A major asset for the proposed development is the enthusiasm residents and local organizations have for being involved in the process.

Process

1. Community engagement should begin as early in the development process as possible to avoid miscommunication or distrust with residents or policy makers.
 - a. Contact key community representatives to help organize a community meeting for neighborhood residents.
 - b. Discuss development intentions and listen to concerns and ideas.
 - c. Ensure that any designs or material does not appear as a final product during initial engagement phases.
 - d. Inform participants of constraints facing the project in order to mitigate disappointment if the project does not reach implementation.
2. For on-the-ground surveys to speak with residents who were unable to come to the community meeting, visit different parts of the area at different times of day to learn about a variety of perspectives.
3. Conduct regular community meetings about design, funding, and possible programming.

Key Community Stakeholders

Below is a list of the most important organizations and individuals that must be included and approached early during project development.

Community:

Point Neighborhood Association (Lucy Corchado)
Latino Leadership (Rosario Ubiero)
Historic Salem Inc.
Landlord Association

Government:

Kimberley Driscoll (Mayor)
Bob McCarthy (Ward Councilor)
Paul Tucker (Police Chief)
Lynn Duncun (Planning Director)
Debra Tucker (Asst. Executive Director-Salem Housing Authority)
Thomas Daniel (Salem Redevelopment Authority)
Joanne Scott (Chair-Youth Commission)

Business:

Congress Market
Harbor Sweets
DeliHouse
Salem Tipico
Shetland Industrial Park



Identified Community Concerns

An interview with North Shore CDC's Director of Community Development, Kristin Anderson, revealed rich and detailed information about the community's needs and concerns.

1. Negative perception and stigma against the community.

The community is concerned that comments about their neighborhood and its residents far exceed the actual problems with crime and trash. While these are legitimate concerns facing the residents of the Point Neighborhood, the stigma they face only contributes to the problem. Residents would like to play an active role in making their community a better place and turning its image around.

2. Lack of community gathering space.

While there is a sense of community amongst residents, there is no neighborhood location where residents can gather for events of activities. A flexible community space could provide that extra element of connectivity that brings neighbors together. This would also provide a space for resident services and youth engagement activities, providing a safe haven and enrichment.

3. Limited youth activities.

Spaces and engaging activities are limited for children and teens outside of school. Youth spend after school time on the streets unsupervised, many times disturbing neighbors with excessive noise. This type of behavior could lead to negative externalities and wastes the potential of young people in the community.

4. Shortage of green space.

5. Small apartment size.

The predominance of small unit sizes makes it difficult for larger families to find housing. Additionally, larger units tend to be more expensive, which contributes to the overcrowding problem the community is facing.

6. Trash and litter.

The neighborhood is overcrowded and dense with a majority of landlords absentee. The streets are only swept once a year by the city and public trash cans are not allowed to be placed on the street. The community has attempted to combat this problem themselves. Students from Salem Academy Charter School created a game called "Trash-ketball" where garbage cans would be attached to backboards. The student's intent with this project was to engage the community in cleaning up their neighborhood by turning it into a fun activity.

7. Resources cut from the neighborhood.

Funding is most crucial in vulnerable communities. The Point neighborhood is home to a diverse population who also have diverse needs and special services are required. As this is home to a large immigrant and illiterate constituency, it is difficult for residents to ask for the services they need.

8. Disenfranchisement.

Related to the above issue of the community's voice, a polling location once located in the neighborhood was recently removed and there has been increased difficulty in accessing elections and voting.



Community Outreach

Survey Information

The CDC also provided 18 community survey responses, which provided first-hand feedback about community concerns and strengths. Below are issues that were mentioned in the surveys that did not come in the interview with the CDC

Problems:

1. Drug use and petty crime, particularly on Palmer Street, in Mary Jane Lee Park, across from one of our development parcels.
2. High rent demanded for the low quality of buildings.
3. Difficulty accessing legal services, particularly for immigrant community.
4. Need for more police supervision.
5. Late night loitering in the streets by youth.

Strengths:

1. Strong sense of community amongst residents
2. Comfort with a large concentration of people from the same cultural group

Past Project Experience Lessons

Residential Development on St. Joseph's Church property: The project was supported by the Point Neighborhood Association; however it has stalled due to problems related to approvals. Other community groups voiced their concerns about the project, particularly the Historic Preservation group's dissatisfaction with the use of the church buildings in the conversion process to affordable housing. The organization was not contacted early in the process and due to poor communication, this project has not moved forward yet.

Programming and Training

The North Shore CDC is the developer and will be managing the properties. The residents of the properties will participate in the programs that the CDC has developed and currently runs. Additionally, the community center that will be on the ground floor of the Congress Street property will have some specific services.

Desired training programs identified by the community are youth activities and jobs and citizenship and ESL classes. These types of supportive immigrant programs are available in the community, but are oversubscribed and have long waiting lists.



Catalytic Programming:

STAND: Students Take Action for Neighborhood Development. A job opportunity for at risk, low income youth in the North Shore region of Massachusetts. Students work on graffiti removal and neighborhood beautification in collaboration with local officials and representatives. They also receive a variety of educational training including public speaking, resume, and leadership workshops.

Art Wall: Community Mural in Salem Point. Educating and engaging youth in collaborating to create public art that ultimately benefits the community. Encourages residents to take pride in their community and develops a community participation process.

Community English. The CDC has been hosting their program since 1995; the course is free and runs for 12 weeks, offering new immigrants and Spanish-speaking residents in their own community. Being offered in the immediate community is a particular benefit as many residents are uncomfortable leaving the community to find these services.

“The Dream Project” This is a media project using portraits of residents in low-income neighborhoods, highlighting who they are and their hopes for the future. The goal of this project has been to transform the negative portrayal of historically low-income communities.

Community Center and Common Space in Residences:

The Point Neighborhood is in the process of being designated a historic district and the CDC has an informal agreement with Historic Salem Inc. for a museum space to operate within the community center space. In collaboration with the CDC’s Youth Mural Project the community center at Congress Street will house a revolving art exhibit.



Parking Strategy and Design

The requirement to maintain 187 parking spaces poses a significant challenge for the acquisition and design of any future development on the Lynch and Congress Street properties. At a cost of \$20,000 per parking space, 187 adds an additional \$3.7 million dollars to the already complicated development of affordable housing. Maintaining the full 187 spaces is financially unfeasible for the development.

In preparing both the acquisition and design we were sensitive to the ongoing negotiations and cognizant of Shetland Industrial Park's continued status as the second largest tax payer to the City of Salem. As a compromise, we propose to include 50 additional parking spots within the development. These spots would be funded separately through a reduction in the acquisition cost and would not produce any undue financial burden on the development and CDC. These additional parking spaces would be located on the garage on Lynch Street. This structure will be funded through a Tax Increment Financing Bond. Because our development converts previously unused lots into affordable housing, office, community and provides some parking spaces to the City of Salem through a lease, we believe that this project would qualify for this funding. Additionally, the project generates a significant amount of tax revenue for the City of Salem.

We recognize that this request does not fully meet Shetland Industrial Park's request of 187 spaces. Since Shetland Industrial Park is a valued tax payer and the development of affordable housing is also highly valued we propose that the City of Salem enter into a reciprocal parking space lease arrangement with Shetland Industrial Park.

Under this agreement, Shetland Industrial Park would be able to lease public parking spaces at a preferred or discounted rate from the City of Salem if it was ever 90% or more occupied and need additional parking spaces.

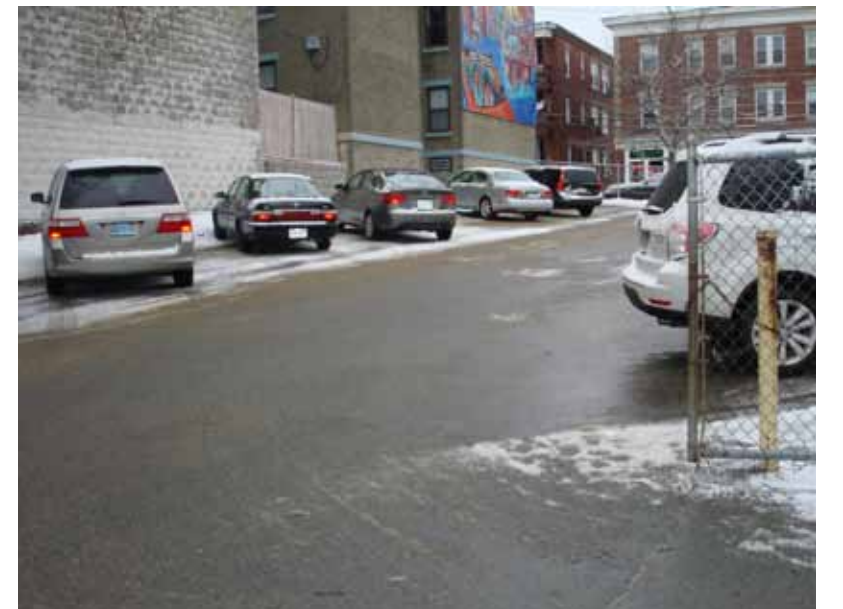
Similarly if the City of Salem's public parking garages are ever more than 84% occupied, it would be allowed to lease spaces from Shetland Industrial Park. This is a more immediate possibility since Shetland Industrial Park is 55% vacant and the nearby Commuter Parking Garage is under renovations. Shetland Industrial Park is also well placed within walking distance of downtown Salem and the Commuter Rail Station. Nelson Nygaard Consulting Associates authored Salem's Comprehensive Parking Plan in 2010. A conversation with Jason Schrieber, a Principal at Nelson Nygaard revealed that a similar arrangement is being designed in Denver Co. The Plan highlights the possibility of the City of Salem leasing parking spaces which are mostly vacant from private lot owners.

Shetland Industrial Park is an influential presence within the City of Salem and we believe that such an agreement would catalyze other lot owners to enter into parking space leases with the city thereby increasing the supply of available parking within Salem without the creation of new parking lots. Salem's Comprehensive Parking Plan recommends creating a municipal management program for private parking facilities similar to what we are proposing.

Having met the parking conditions, we anticipate that the CDC should be able to acquire 16 Lynch Street and 78 Congress Street for a total of \$432,000, which is consistent with the property tax assessment for the parcels, and comparable land prices of \$7.5 to \$9 per square foot in Salem.

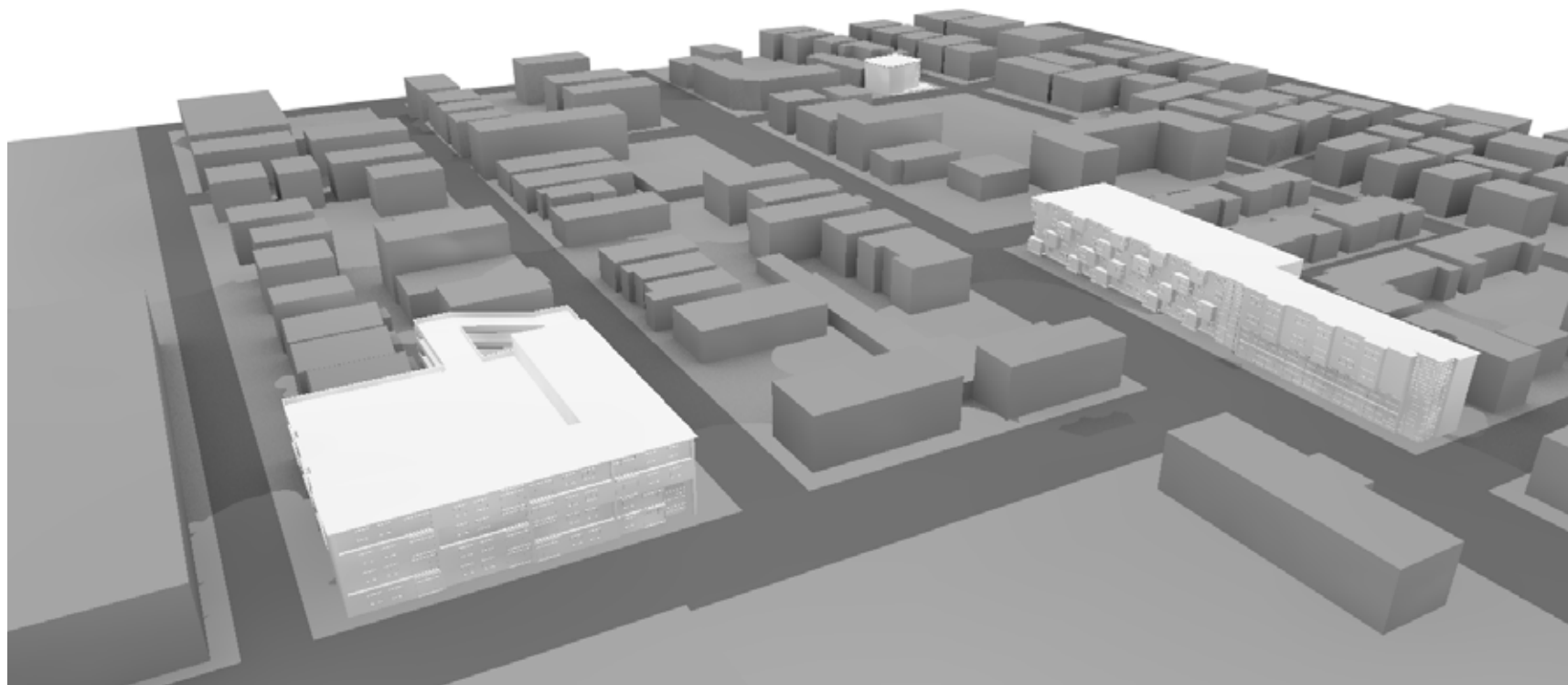


Existing, Underutilized Parking Lot on Lynch Street



Existing, Underutilized Parking Lot on Congress Street

Site Planning and Building Design



The three sites have been designed to both work together as an urban whole, as well as independently as efficient and unique architectural objects. Unifying all three sites formally and programmatically are dramatic, glazed, common atrium lobbies that anchor each building to the corners of their respective sites and activate the street fronts with transparent public spaces.

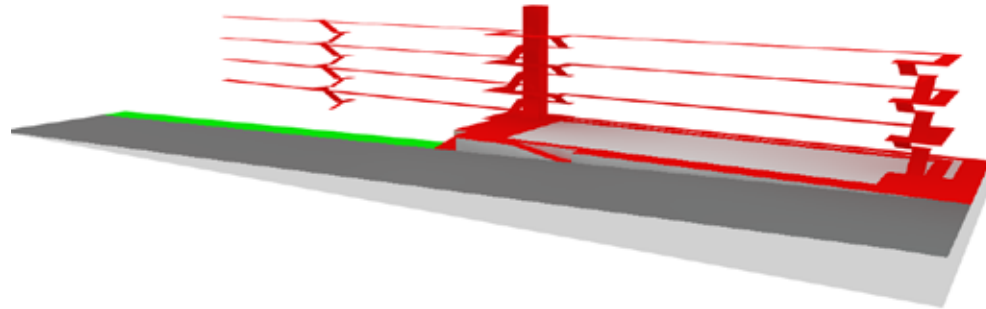
Between the three parcels we are proposing approximately 62,000 sf of new housing with close to 9,000sf of office and community space. Together this proposal will initiate an aggressive and iconic revitalization initiative in the Point neighborhood, reappropriating underutilized properties and engaging residents and community institutions in a long term process of design, planning and engagement that will set a new tone for the Salem Point neighborhood.

With such a dramatic scale of new construction in the neighborhood, these three sites will generate a new enthusiasm in the Point and help to generate new activity and connectivity between the Point, the Downtown and other neighborhoods.

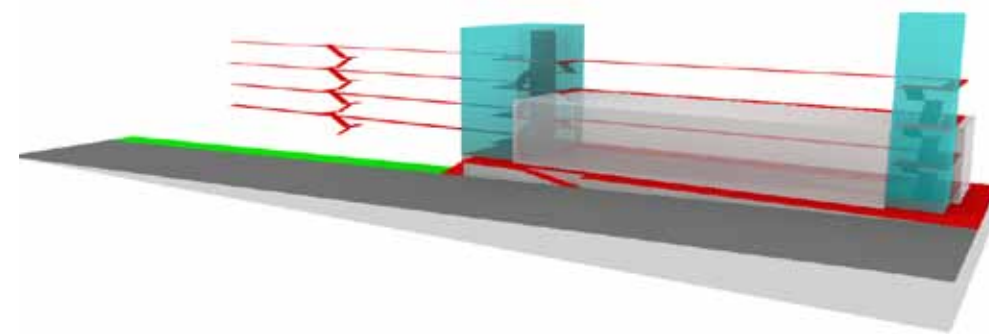
Left: Aerial of Congress St Building (near right), Lynch St. Building (near Left), and Palmer St. Building (far right).



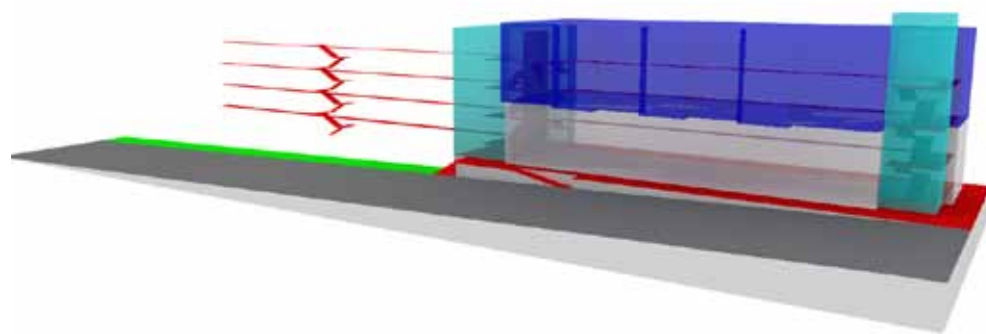
Congress St. Program Components



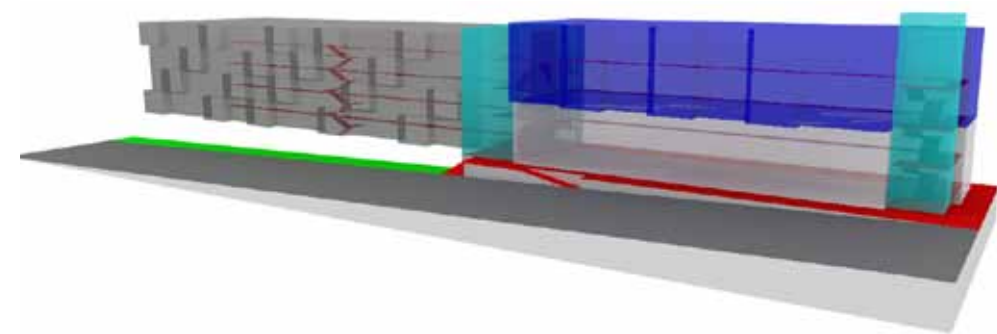
Primary Circulation System



Common Spaces



Common Spaces with Office Massing



Residential Massing Connects to Office and Civic Spaces

Currently 78 Congress Street is a large, underutilized parking lot servicing an adjacent office park. Our strategy sought to integrate a community space that would unify North Shore CDC's new office spaces with the residential wing of the development and provide a much needed amenity to the Point's residents. Two iconic atrium lobby spaces link the wings and provide a powerful common entry space for residents. Forty, one, two and three bedroom units are housed in the residential wing on Congress street, while a new community center and offices occupy the eastern end of the site. An articulated facade on the residential wing, increases glazing area in each unit and creates a dynamic street profile.

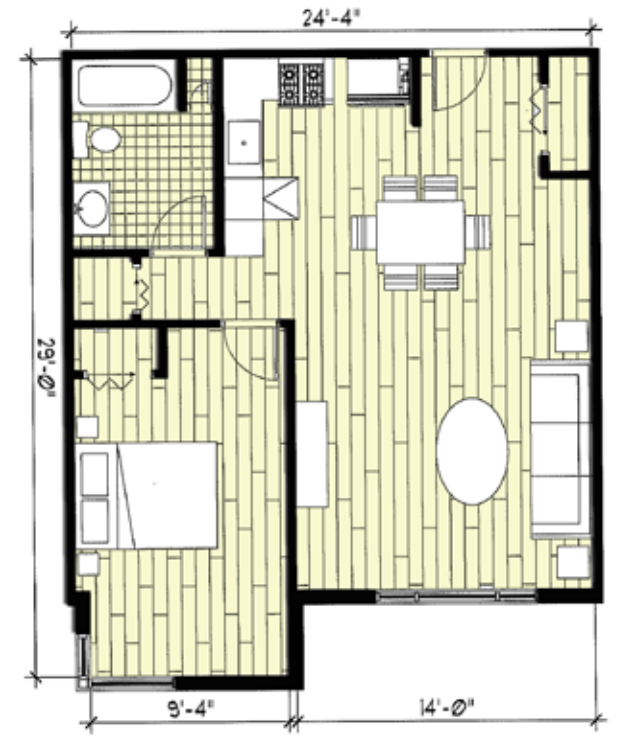


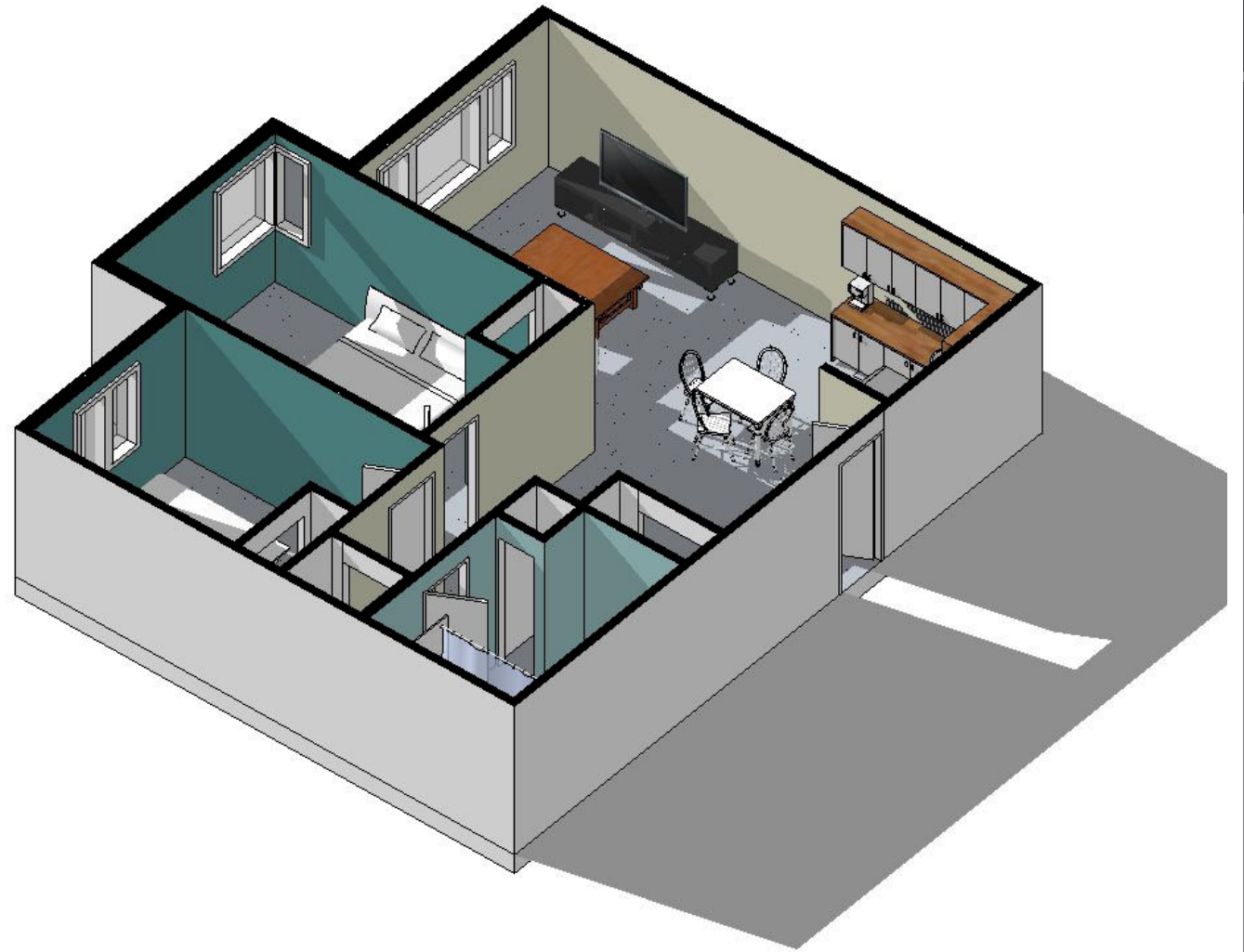
Congress Street, Second and Third Floors



Congress Street, Ground Floor

NORTH SHORE CDC



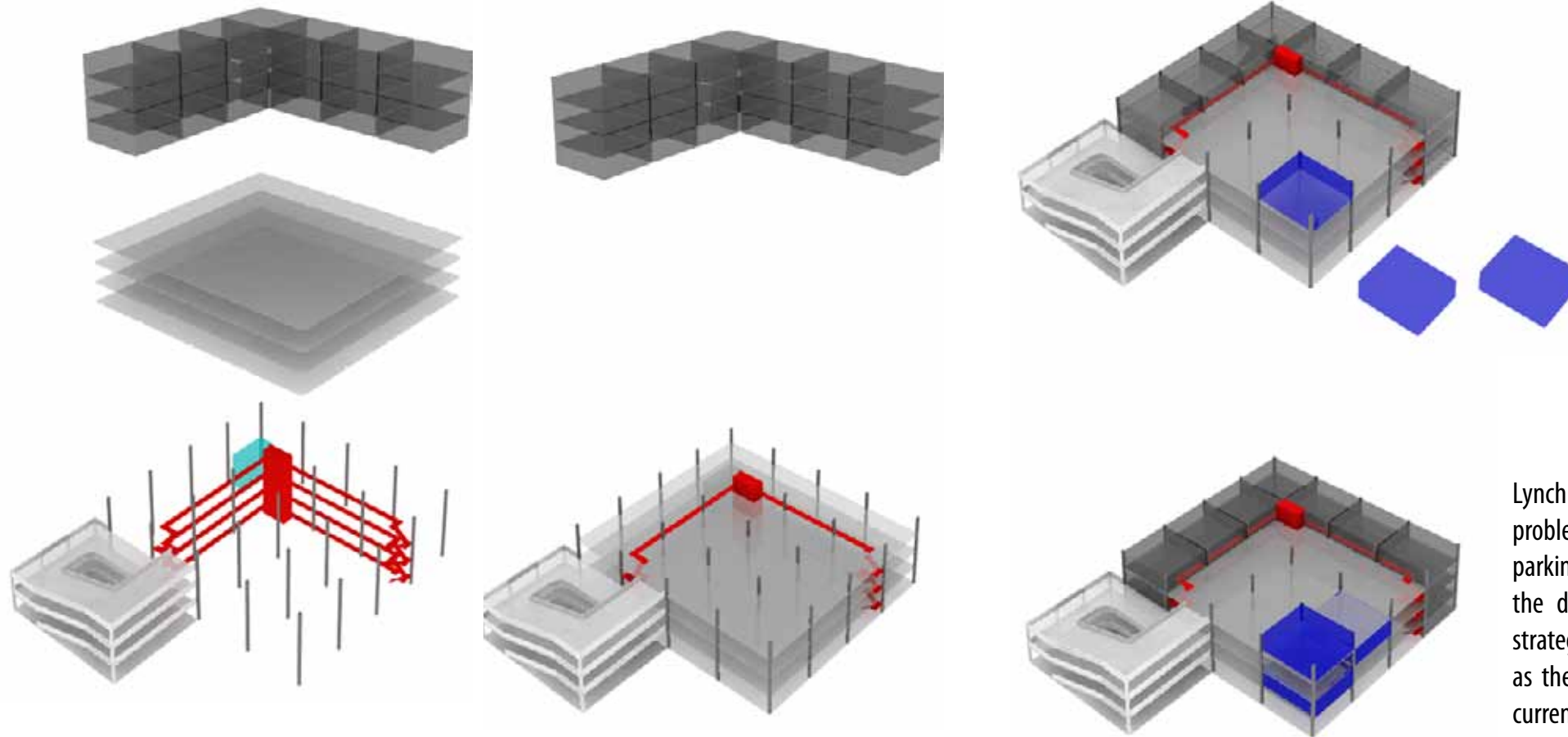


One Bedroom Unit: 648sf
Two Bedroom Unit: 850sf
Three Bedroom Unit: 1,050sf

SALEM MASSACHUSETTS



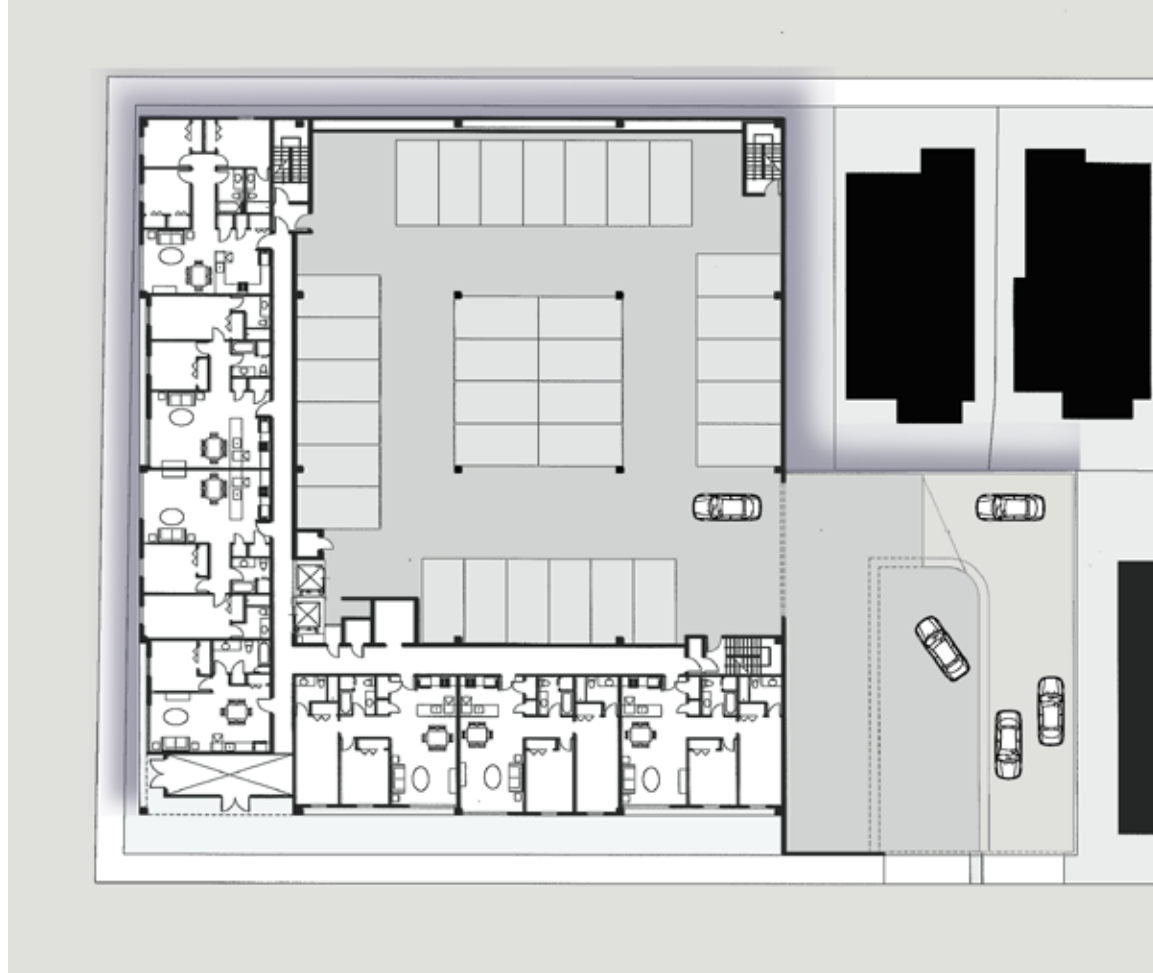
Lynch st. Program Components



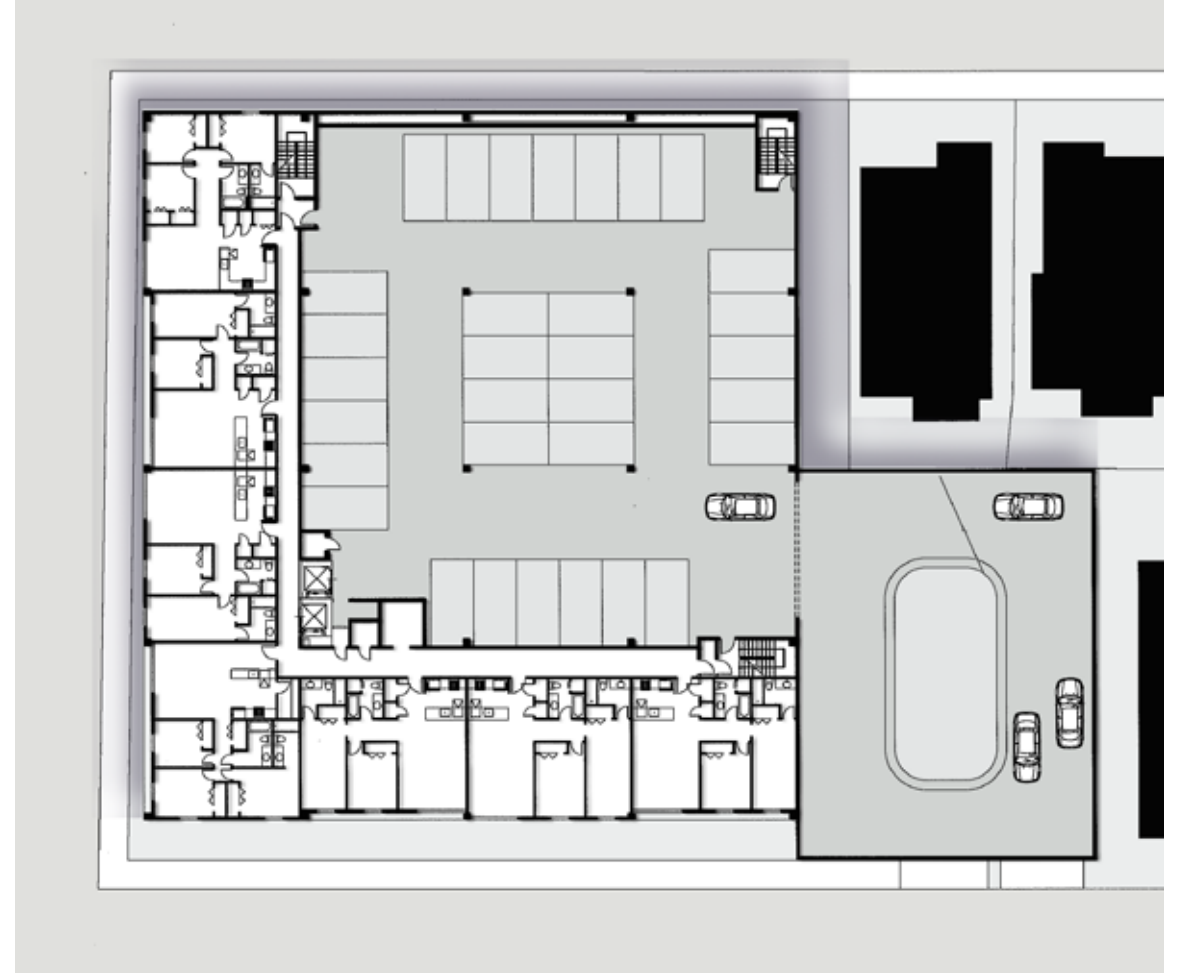
- Component Parts:**
- 1. Proposed Residential Infill**
 - 2. Parking Trays**
 - 3. Primary Circulation System**
 - 4. Common Atrium Entry**

Lynch street provided a unique and challenging design problem with the seemingly prohibitive provision for parking. Our strategy for this site centered around the design of a parking garage that could later be strategically infilled with housing and commercial uses as the demand for parking in the area decreased. Our current proposal shows how a standard parking structure can be designed with a workable structural grid that can be built out with enclosed, livable units. In the future, as demand for structured parking dwindles, the remaining sides of the garage can be built out and appropriated as needed. Twenty-seven, one, two and three bedroom units currently fill out the east and north sides of the site, disguising the parking structure behind it.

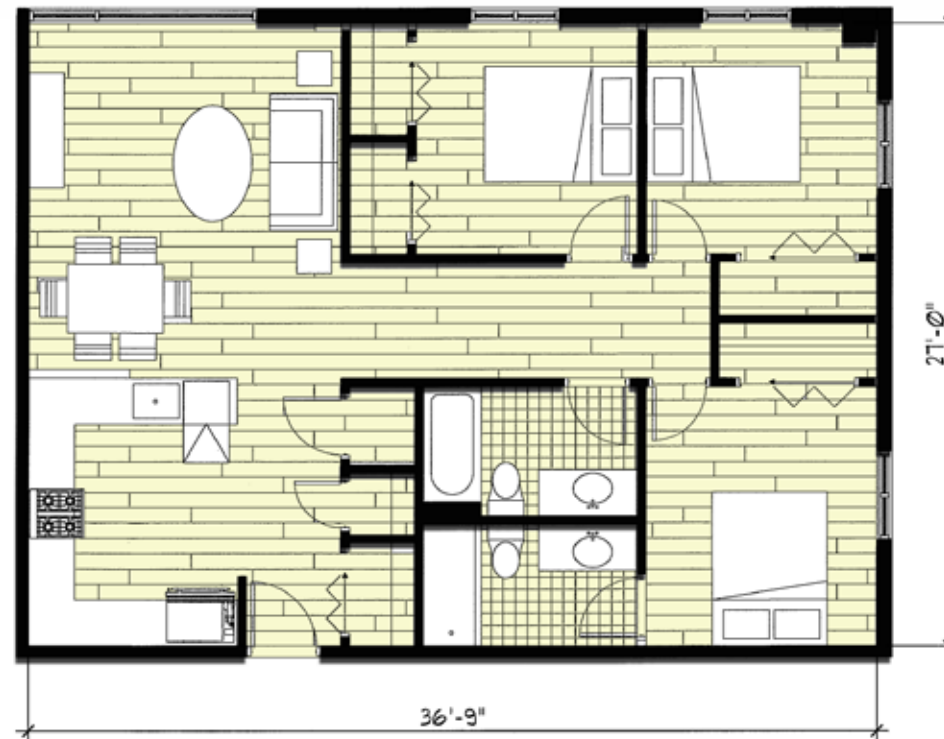
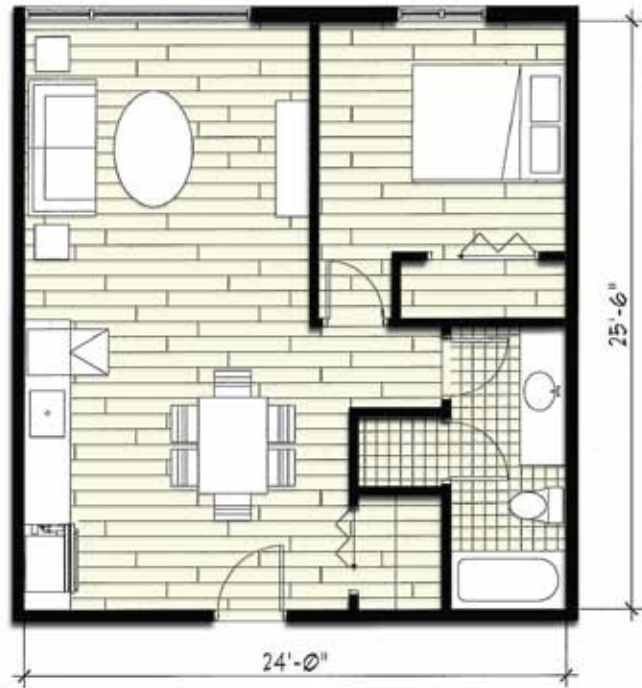
SALEM MASSACHUSETTS



Lynch Street Ground Floor and Second Floor



Lynch Street Third Floor and Fourth Floor

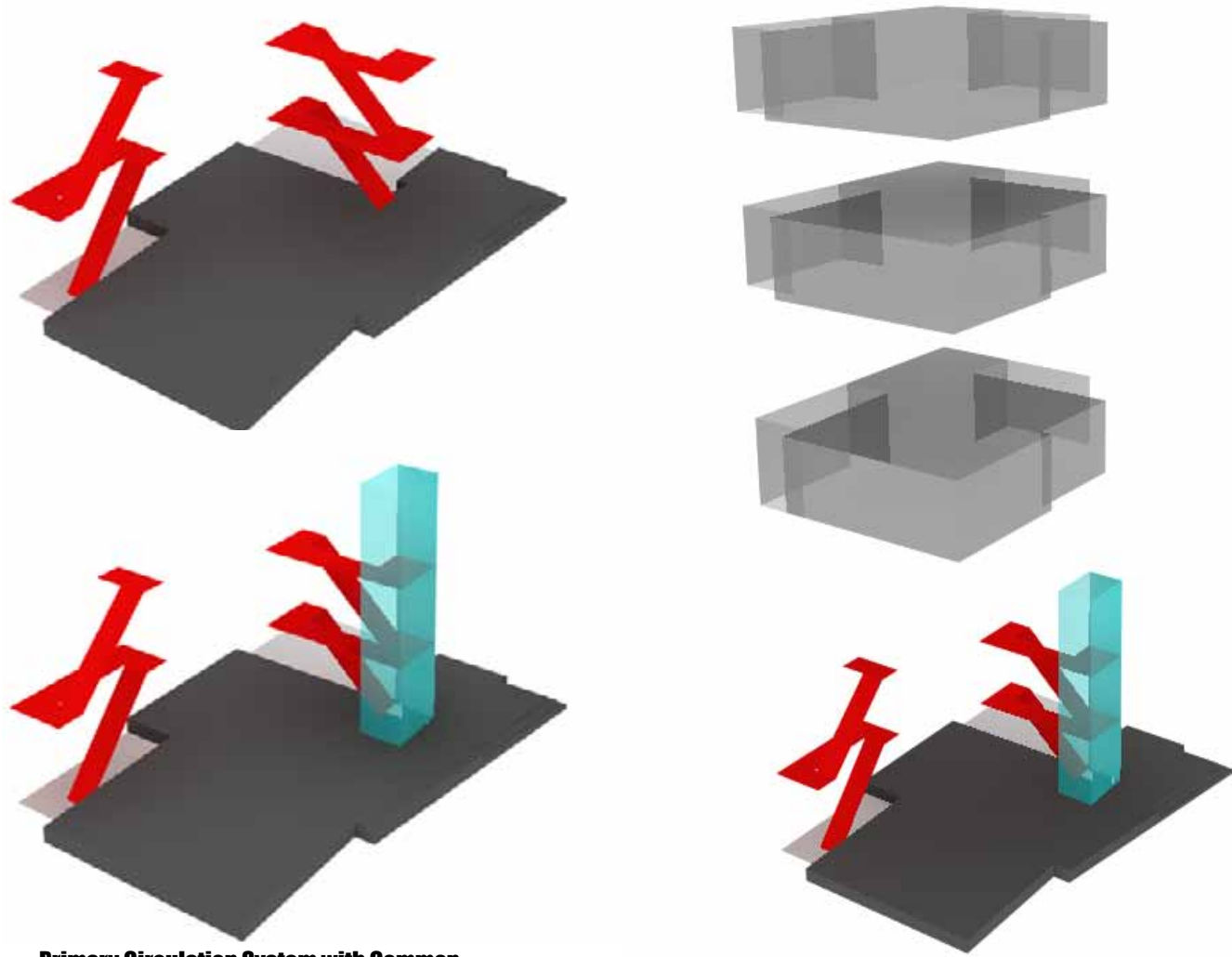


One Bedroom Unit: 612sf
 Two Bedroom Unit: 966sf
 Three Bedroom Unit: 990sf

SALEM MASSACHUSETTS

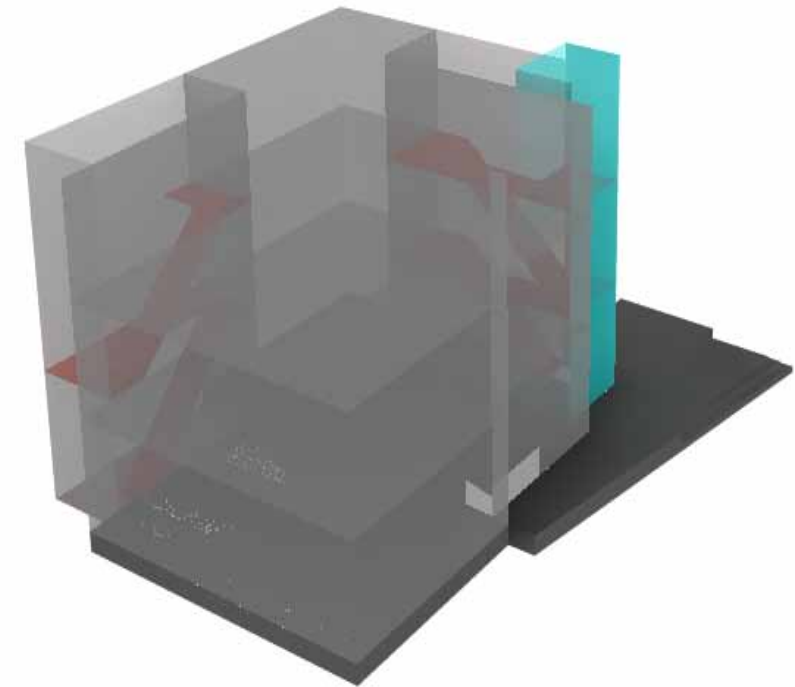


Palmer st. Program Components



Primary Circulation System with Common Entry Atrium

Palmer St is a recently demolished lot, which overlooks the Mary Lee Jane Park directly across the street. This lot sits at the corner and is surrounded by streets on three sides. The property line is angled of the existing adjacent lots, which allows for a dynamic building orientation. Our strategy on this site involved orienting its public face towards the existing park and integrating a sizeable front porch that leads to a transparent entry hall on the corner of the building. Three, three-bedroom flats are designed to accommodate growing families and provide easy access and views to the existing park.

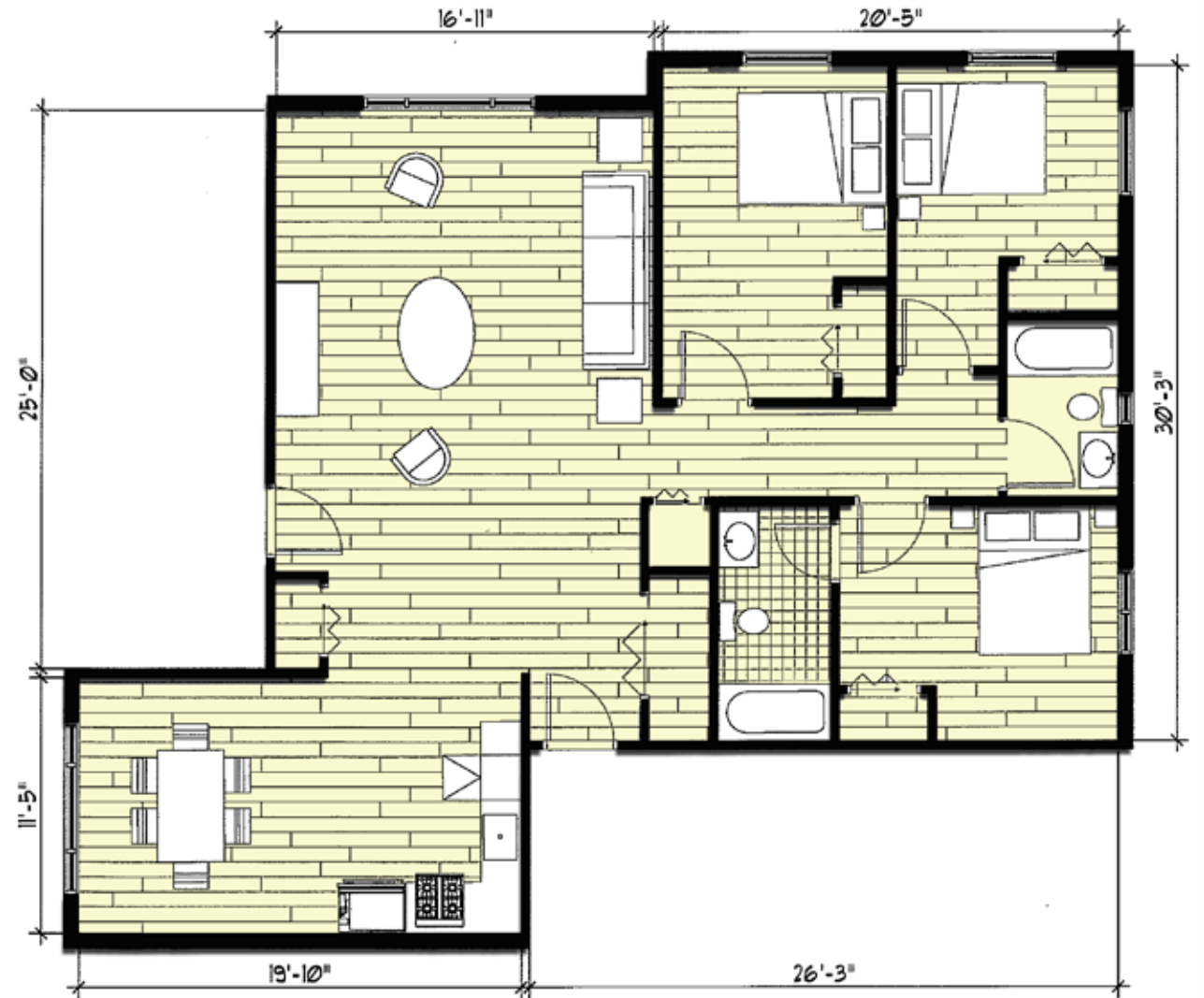


Completed Component Massing

The Palmer Lot is a Vacant Site Adjacent to Several three and four story apartment houses

NORTH SHORE CDC





Three Bedroom Unit: 1,285sf

SALEM MASSACHUSETTS

Sustainability

In ensuring the long-term revitalization of Salem Point, the design of new community spaces and the maintenance of existing public spaces directly around and between our three sites was a provocative starting point for conceptualizing a more holistic and actionable sustainability strategy. The inclusion of both public, open spaces as well as shared common spaces in the design of the apartment buildings was a crucial first step in trying to reestablish a sense of community and belonging within the neighborhood. The planning and design of these civic elements set the tone for both the technical and conceptual sustainability strategies proposed below.

Sustainable Planning Strategies

With the Enterprise Green Communities Criteria as our formal armature, our planning strategy sought to emphasize the concepts of connectivity, interaction, and community building. With the sites located only a mile from the commuter rail station in Salem, and the sites' proximity to Salem's historic downtown, the introduction of both an on demand shuttle service to the station and downtown in conjunction with a neighborhood bike sharing program will both encourage pragmatic daily interaction amongst residents and reduce residents' need for cars and additional unit parking on site.

Additionally, the creation and improved maintenance of public spaces within the neighborhood in the form of the cleanup and extension of the Palmer Street Playground and the design of new community spaces at the Congress Street site will be a demonstrable aesthetic and programmatic step in the promotion of community and neighborhood revitalization.

Building for Conservation

With the average cost of electricity in Massachusetts hovering around \$0.12kw/hr, many Salem residents in older homes and apartment buildings have watched their utility bills skyrocket over the past several years, with the average increase in domestic energy consumption hitting 3.2% in February alone (BLS, Consumer Price Index Feb.2012). Current monthly utility bills in the area average \$200 often severely burdening lower-income residents. Ensuring the long-term affordability and sustainability of any new housing development requires a sincere commitment to efficient design and meticulous construction that will help to curb energy consumption while improving the environmental quality and health of the building's surroundings and its inhabitants. By focusing on maximizing the potential in each of the following main categories below, we believe that our proposal can achieve performance levels that far exceed the categorical prescriptions outlined by Energy Star and LEED.

Building Envelope

The most fundamental element in building any high performance building is the efficient design and construction of the building's exterior envelope. Our proposal combines high-level comfort with exceptionally low energy consumption primarily through the design of a continuously insulated, air-tight envelope. As designed, the exterior walls of our proposed buildings measure only 8.5 inches deep with an R-30 thermal rating. The roof assembly is designed to achieve an R-60 rating, and with cuttingedge window technology and sub-slab insulation, we expect to achieve a constant air infiltration rate of between 2 and 4 ACH50.

Heating and Cooling

With a super-insulated, air-tight envelope with minimal thermal bridging, the provision for actively heating and cooling units will be dramatically reduced. Each building will employ the use of radiant heating technology to actively heat units and each unit will be installed with a centrally located mini-split unit for summer cooling. Both active conditioning technologies are efficient enough to justify the upfront cost premiums.

DHW

Each unit will employ high efficiency, Energy Star rated appliances and be equipped with on-demand water heating systems, which will help in curbing overall consumption per unit and help residents to better monitor their utility expenses.

Indoor Air Quality

Unit ventilation systems will play a key role in the efficiency and comfort of each building as well. Each unit will be individually ducted to provide clean, dust and pollen free air quality that eliminates moisture and odor wherever they might occur. By using heat recovery from exhaust air, heat loss from ventilation will be minimized and the amount of energy required to condition incoming air and water will be reduced.

Opposite:

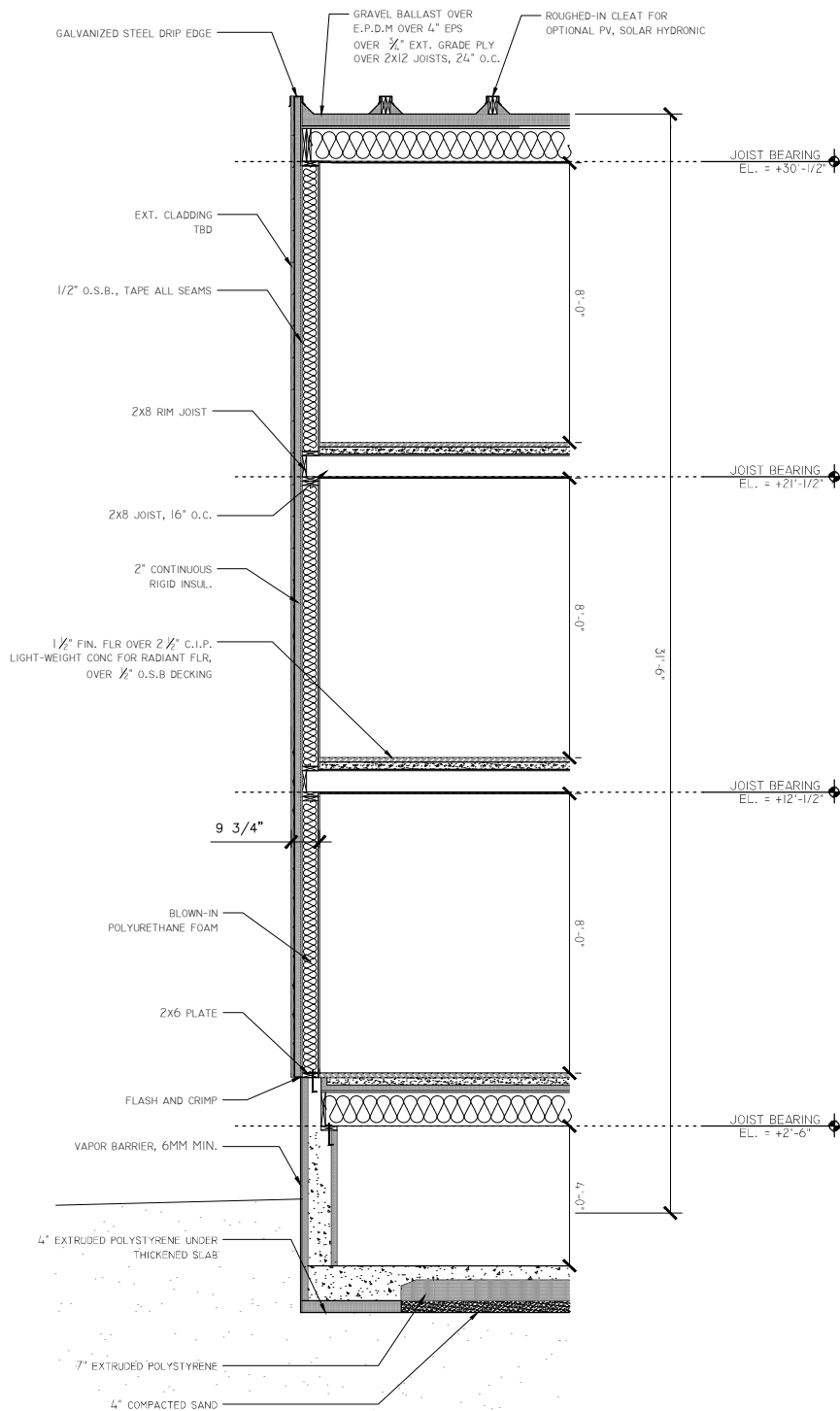
Left: Typ. High-Performance Wall Assembly for New Salem Development

Right: Thermal model of proposed wall assembly

R-VALUES OF ENVELOPE ASSEMBLIES

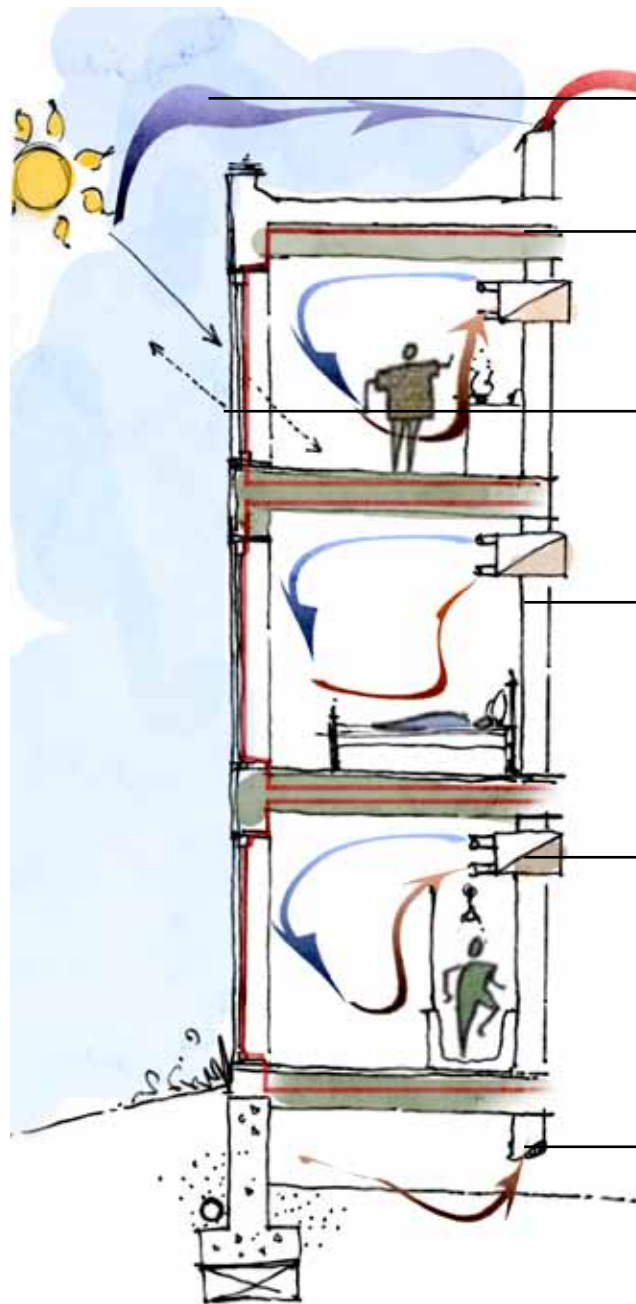
Wedge Shaped Envelope Assemblies and Still Air Spaces -> Secondary Calculation to the Right

Building: **Lynch St, Congress St, and Palmer St Envelopes**



Assembly	Building Assembly Description	Surface Film Resistance, R		Resistivity		Thickness
1	Typ. Exterior Wall	Interior:	0.74	(hr.ft ² .F/BTU)		
		Exterior:	0.23			
Primary Material (Enter from interior to exterior)	Resistivity R per inch	Secondary Material (optional)	Resistivity R per inch	Tertiary Material (optional)	Resistivity R per inch	Thickness [in]
1. 1/2" Gyp. Board	0.910					0.500
2. Polyurethane Foam	5.360	2x6 Framing At 24" oc	1.390			5.500
3. 1/2" OSB Sheathing	1.390					0.500
4. 2" Rigid	4.130					2.000
5. Brick Veneer	0.250					1.500
6.						
7.						
8.						
		Percentage of Mat'l 2	6.5%	Percentage of Mat'l 3		Total Width 10.0 in
		R-Value:	36.5	(hr.ft ² .F/BTU)		
		U-Value:	0.0274	(BTU/hr.ft ² .F)		

Assembly	Building Assembly Description	Surface Film Resistance, R		Resistivity		Thickness
2	Typ. Roof Assembly	Interior:	0.57	(hr.ft ² .F/BTU)		
		Exterior:	0.23			
Primary Material (Enter from interior to exterior)	Resistivity R per inch	Secondary Material (optional)	Resistivity R per inch	Tertiary Material (optional)	Resistivity R per inch	Thickness [in]
1. 1/2" Gyp. Board	0.910					0.500
2. Polyurethane Foam	5.360	2x12 Joist At 16" oc	1.390			11.750
3. 3/4" Decking	1.390					0.750
4. 4" Rigid	4.130					4.000
5. 1/4" Asphalt	0.230					0.250
6.						
7.						
8.						
		Percentage of Mat'l 2	9.5%	Percentage of Mat'l 3		Total Width 17.3 in
		R-Value:	70.6	(hr.ft ² .F/BTU)		
		U-Value:	0.0142	(BTU/hr.ft ² .F)		



Fresh air is drawn in from intake ducts on the roof and stale air and pollutants are extinguished thru an adjacent conduit.

Each unit is treated with its own thermal barrier to ensure tight, leak free individual units

High-Performance, Low-E glazing with high solar heat gain coefficients, admits light while reflecting excess heat and radiation

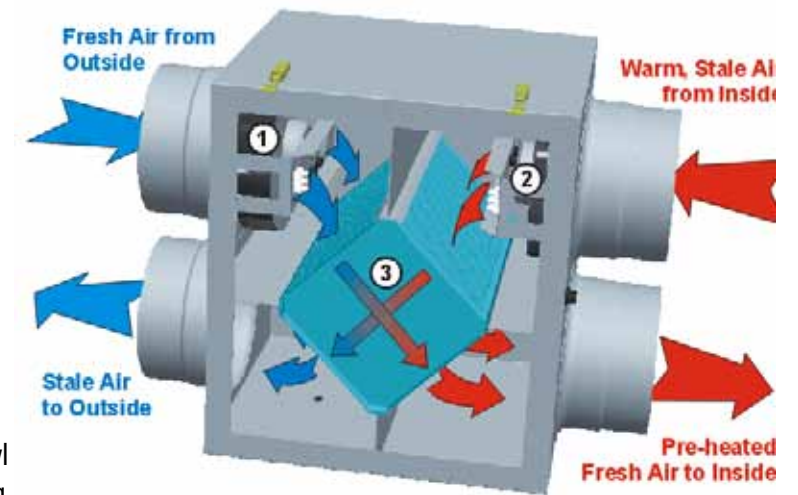
Centrally located intake and exhaust stacks provide and distribute air from ERV units

Energy recovery ventilation units maintain balance of fresh, temperate air while extinguishing interior pollutants

Ventilation recovery actively ventilates crawl spaces to ensure no stale air infiltrates living spaces

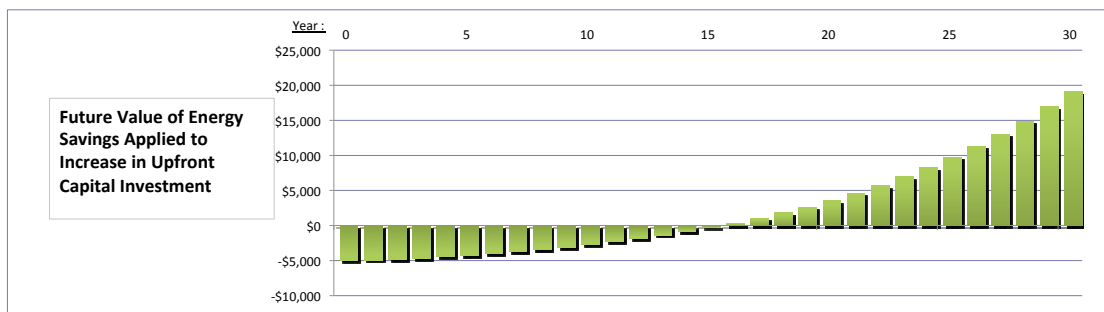
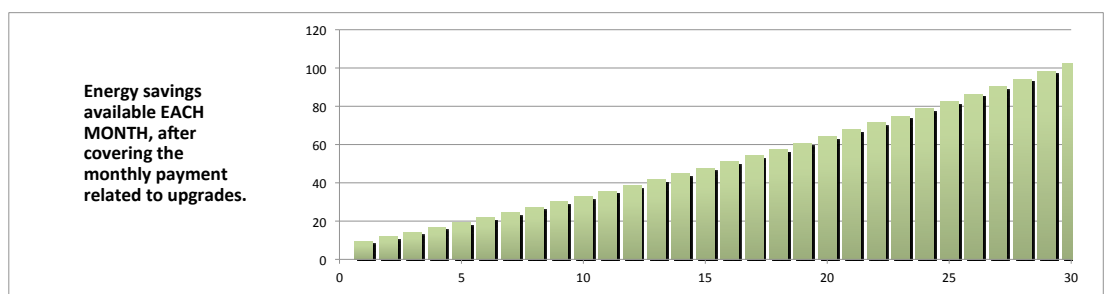
Air Tight Construction + Indoor Air Quality

Ensuring each individual unit is independently ventilated and constructed to minimize unwanted air and thermal leakage will help guarantee maximum health and comfort for all occupants. Illustrated to the left is a commonly used, high-performance recovery ventilation system that will help to maximize the energy efficiency and comfort of users at Palmer Street, Congress Street and Lynch Street.



Typical Energy Recovery Ventilation Unit

Cost of Home Options	Cost of Baseline Unit	Cost of Performance Upgrade *	Cost of High Performance	Energy Cost, Baseline Home (\$ per month)	200
	313,000	8%	338,040	Annual Rate of increase in Energy Costs Projected	2%
				Energy Reduction from Performance Upgrades (%)	60%



Costs to Upgrade to High Performance			
Added Costs of Improving Thermal Performance Per Unit:			
Baseline Cost:	Item:	Percent:	\$
8,000	increase in cost of framing labor	8%	640
12,000	increase in cost of framing materials	8%	960
10,000	increase in cost of window units	15%	1,500
2,000	increase in cost of insulated doors	8%	160
10,000	increase in cost of insulation, labor and materials	5%	500
			0
	Energy Recovery Ventilation system, increased cost as compared to the sum of the cost of all typical ventilation systems		4,000
	Electric resistance coil heating source, one of many approaches to heating a high performance bldg. Remember, the heating load will be around 10% of the heating load of a typical home.		1,000
	Typical heating system that is not needed and therefore represents money saved		-8,000
* Total Costs to Upgrade Per Unit			760

Table 1

Table 2

Recapturing Construction Premiums Through Energy Savings

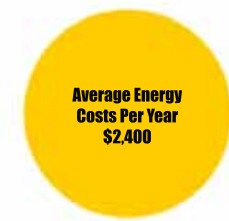
With the baseline cost of a new unit average nearly \$380,000 in Salem, keeping operating expenses down will be an enormous boon in helping to ensure the long term affordability of the new developments. Assuming an average 8% increase in the cost of construction per unit for construction and systems upgrades, (table 2 at left) we forecast that average savings in utility costs for residents will reach 60%, and potentially more if the cost of energy continue to increase.

Described in Table 1 above, is a conservative hypothetical assumption that illustrates the

energy savings available per month, per unit in relation to the prospective future value of energy savings applied to the 8% increase in extra upfront costs.

Designing the roof assemblies on each site with panel cleets for solar hydronic and PV arrays leaves the open the possibility for North Shore to easily retrofit on-site energy production systems into their properties, further reducing residents' operating expenses. Table 2 above illustrates the potential value of this upgrade by showing how such systems can reduce utility expenses to near zero.

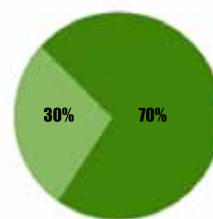
Current Utility Expenses



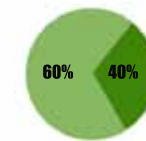
Utility Expenses with High Performance Upgrades



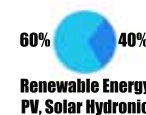
Utility Expenses with Renewable Sources



Heating, Ventilation, A.C. and DHW



Lighting, Appliances, Home Electronics



Renewable Energy (if installed)

Table 3

FINANCIAL ANALYSIS FOR PERFORMANCE UPGRADES

Financing Arrangement At Time of Purchase:

	Cost of Baseline Home	Cost of Passive House	Cost to Upgrade to Passive House
Cost of Home	313,000	338,040	25,040
			8%
Equity Contribution (20%)	62,600	67,608	5,008
Loan Amount (80%)	250,400	270,432	20,032
Payment (per month)	1,383	1,493	111

Increase in Equity
Added to Loan Amount
Higher Monthly Payment

Year:	One	Two	Three	Four	Five	Six	Seven
Monthly Premium for High Performance	111	111	111	111	111	111	111

Energy Cost Comparison:

Annual Rate of increase in Energy Costs Projected	2%						
Energy Reduction from Upgrade Options (%)	60%						
Energy Cost Baseline Home (\$ per month)	200	204	208	212	216	221	225
Energy Cost High Performance Options (\$ per month)	80	82	83	85	87	88	90
Energy Bill Savings from High Performance Upgrades (\$ per month)	120	122	125	127	130	132	135

Recovering the Extra Purchasing Costs with Reduced Energy Costs:

Net Benefit (Cost) per month of High Performance Option	9	12	14	17	19	22	25
Extra Upfront Costs Made for High Performance	-5,008						
Future Value of Increased Equity combined with Net Financial Benefit (Cost) of Upgrade Options Since Date of Purchase	-4,920	-4,803	-4,656	-4,478	-4,269	-4,027	-3,752
Year:	One	Two	Three	Four	Five	Six	Seven

Net Benefit (Cost) of High Performance, 15 Years from Completion Date	-263
Net Benefit (Cost) of High Performance Option, 30 Years from Purchase Date	19,081

Assumptions: Opportunity Cost of Extra Down Pymt = (1), Earnings Rate on Net Benefit = (2)

(1) Certificate of Deposit Rate	0.50%
(2) Interest Rate	5.25%
Term of Loan (Years)	30

Cash held in lieu of using it for increased down payment is typically in a low-interest-bearing cash account.
One can always apply savings to the balance owed on their mortgage, as a no-risk investment with good yield.

Recovering Costs for Users

In looking at the potential scenarios surrounding the opportunities and strategies for maximizing building performance, we have conservatively projected that the average savings for the cost of residents in the new units will be approximately \$120 per month during the first year, and will steadily increase every year with the consistent increase in energy prices.

Sustainable Sites 26 Possible Points

<input checked="" type="checkbox"/>	Prerequisite 1	Construction Activity Pollution Prevention	Required
<input checked="" type="checkbox"/>	Credit 1	Site Selection	1
<input checked="" type="checkbox"/>	Credit 2	Development Density and Community Connectivity	5
<input checked="" type="checkbox"/>	Credit 3	Brownfield Redevelopment	1
<input checked="" type="checkbox"/>	Credit 4.1	Alternative Transportation—Public Transportation Access	6
<input checked="" type="checkbox"/>	Credit 4.2	Alternative Transportation—Bicycle Storage and Changing Rooms	1
<input type="checkbox"/>	Credit 4.3	Alternative Transportation—Low-Emitting and Fuel-Efficient Vehicles	3
<input type="checkbox"/>	Credit 4.4	Alternative Transportation—Parking Capacity	2
<input type="checkbox"/>	Credit 5.1	Site Development—Protect or Restore Habitat	1
<input type="checkbox"/>	Credit 5.2	Site Development—Maximizes Open Space	1
<input type="checkbox"/>	Credit 6.1	Stormwater Design—Quantity Control	1
<input type="checkbox"/>	Credit 6.2	Stormwater Design—Quality Control	1
<input checked="" type="checkbox"/>	Credit 7.1	Heat Island Effect—Nonroof	1
<input checked="" type="checkbox"/>	Credit 7.2	Heat Island Effect—Roof	1
<input type="checkbox"/>	Credit 8	Light Pollution Reduction	1

Water Efficiency 10 Possible Points

<input checked="" type="checkbox"/>	Prerequisite 1	Water Use Reduction	Required
<input checked="" type="checkbox"/>	Credit 1	Water Efficient Landscaping	2-4
<input type="checkbox"/>	Credit 2	Innovative Wastewater Technologies	2
<input checked="" type="checkbox"/>	Credit 3	Water Use Reduction	2-4

Energy and Atmosphere 35 Possible Points

<input checked="" type="checkbox"/>	Prerequisite 1	Fundamental Commissioning of Building Energy Systems	Required
<input checked="" type="checkbox"/>	Prerequisite 2	Minimum Energy Performance	Required
<input checked="" type="checkbox"/>	Prerequisite 3	Fundamental Refrigerant Management	Required
<input checked="" type="checkbox"/>	Credit 1	Optimizes Energy Performance	1-19
<input type="checkbox"/>	Credit 2	On-site Renewable Energy	1-7
<input type="checkbox"/>	Credit 3	Enhanced Commissioning	2
<input type="checkbox"/>	Credit 4	Enhanced Refrigerant Management	2
<input type="checkbox"/>	Credit 5	Measurement and Verification	3
<input type="checkbox"/>	Credit 6	Green Power	2

Materials and Resources 14 Possible Points

<input checked="" type="checkbox"/>	Prerequisite 1	Storage and Collection of Recyclables	Required
<input type="checkbox"/>	Credit 1.1	Building Reuse—Maintain Existing Walls, Floors and Roof	1-3
<input type="checkbox"/>	Credit 1.2	Building Reuse—Maintain Existing Interior Nonstructural Elements	1
<input checked="" type="checkbox"/>	Credit 2	Construction Waste Management	1-2
<input checked="" type="checkbox"/>	Credit 3	Materials Reuse	1-2
<input checked="" type="checkbox"/>	Credit 4	Recycled Content	1-2

<input checked="" type="checkbox"/>	Credit 5	Regional Materials	1-2
<input checked="" type="checkbox"/>	Credit 6	Rapidly Renewable Materials	1
<input checked="" type="checkbox"/>	Credit 7	Certified Wood	1

Indoor Environmental Quality 15 Possible Points

<input checked="" type="checkbox"/>	Prerequisite 1	Minimum Indoor Air Quality Performance	Required
<input checked="" type="checkbox"/>	Prerequisite 2	Environmental Tobacco Smoke (ETS) Control	Required
<input checked="" type="checkbox"/>	Credit 1	Outdoor Air Delivery Monitoring	1
<input checked="" type="checkbox"/>	Credit 2	Increased Ventilation	1
<input checked="" type="checkbox"/>	Credit 3.1	Construction Indoor Air Quality Management Plan—During Construction	1
<input checked="" type="checkbox"/>	Credit 3.2	Construction Indoor Air Quality Management Plan—Before Occupancy	1
<input type="checkbox"/>	Credit 4.1	Low-Emitting Materials—Adhesives and Sealants	1
<input checked="" type="checkbox"/>	Credit 4.2	Low-Emitting Materials—Paints and Coatings	1
<input checked="" type="checkbox"/>	Credit 4.3	Low-Emitting Materials—Flooring Systems	1
<input checked="" type="checkbox"/>	Credit 4.4	Low-Emitting Materials—Composite Wood and Agrifiber Products	1
<input checked="" type="checkbox"/>	Credit 5	Indoor Chemical and Pollutant Source Control	1
<input checked="" type="checkbox"/>	Credit 6.1	Controllability of Systems—Lighting	1
<input checked="" type="checkbox"/>	Credit 6.2	Controllability of Systems—Thermal Comfort	1
<input checked="" type="checkbox"/>	Credit 7.1	Thermal Comfort—Design	1
<input type="checkbox"/>	Credit 7.2	Thermal Comfort—Verification	1
<input checked="" type="checkbox"/>	Credit 8.1	Daylight and Views—Daylight	1
<input checked="" type="checkbox"/>	Credit 8.2	Daylight and Views—Views	1

Innovation in Design 6 Possible Points

<input checked="" type="checkbox"/>	Credit 1	Innovation in Design	1-5
<input type="checkbox"/>	Credit 2	LEED Accredited Professional	1

Regional Priority 4 Possible Points

<input checked="" type="checkbox"/>	Credit 1	Regional Priority	1-4
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LEED for Homes and New Construction Subtotals

100 base points; 6 possible Innovation in Design and 4 Regional Priority points

Certified 40–49 points

Silver 50–59 points

Gold 60–79 points **Pre-Construction Estimate Per Site: 65 points**

Platinum 80 points and above



SALEM MASSACHUSETTS

Property Aquisition

The acquisition of 38 Palmer Street is expected to be approxiamtely \$60,800. This price is consistent with land comparable parcels within Salem and the current land tax value for the property. 38 Palmer was deemed structurally unsound and condemned and demolished by the City of Salem in January of 2012. As a result of the demolition, the parcel has an \$18,000 lien from the City of Salem. Our estimated acquisition cost for the property includes payment of this lien. We were unable to conduct a title search as part of the competition, however given the owner’s management of the property and the existing lien, it is very likely that the property has additional liens on it. We would deduct any liens from the total price paid to the owner.

The parcels at 16 Lynch Street and 78 Congress Street pose greater difficulty in acquisition. The property is currently owned by Shetland Trust and serve as overflow parking for the nearby Shetland Industrial Park.

Shetland Industrial Park was started by Robert I. Lappin who converted the property to waterfront office and Industrial space after a mill closed more than 50 years ago. The property totals more than 34 acres and has been at the center of commercial in the point for 50 years.

In recent years the property has fallen on hard times and has not been performing well. The commercial space is 55% vacant. Mr. Lappin was also a victim of the Bernie Madoff Ponzi scheme and lost more than \$86 million of foundation, personal and family fortune, and his employees 401k in the scheme. In an interview with the Boston Globe on December 20th of 2009, Mr. Lappin stated that his personal net worth had been reduced from \$20 million to \$2 million.

The sale of the Lynch Street and Congress Street parking lots would add a needed infusion of cash to the Shetland Trust and would catalyze future development within the Point. As a condition of the sale Shetland Trust would like to maintain the same number of parking spaces available currently on the lots (187) for Shetland Industrial Tenants.

Shetland Industrial Park current advertises “unlimited parking” as an amenity to prospective tenants. Shetland believes that reducing the amount of parking spaces would significantly reduce the marketability of the Park.



Pro Forma + Unit Mix

DEVELOPMENT COST BREAKDOWN

AHDC Project	Total Development Cost		
	Per Unit	Per Gross Square Foot	Per Bedroom
Salem	\$ 273,734	\$ 133	\$ 127,493

	Percentage of Units of Affordable at Respective Affordability		
	30% MIF	50% MFI	60% MFI
Salem	13%	0%	87%

UNIT MIX

UNIT TYPE	Number of Units	Square Footage	Gross Rent	Monthly Rent/SF	Annual Rent
Congress Street					
1 Bedroom - 30% AMI	1	616	\$ 588	\$ 0.95	\$ 7,056
1 Bedroom - 60% AMI	7	616	\$ 1,175	\$ 1.91	\$ 98,700
2 Bedroom - 30% AMI	2	825	\$ 661	\$ 0.80	\$ 15,864
2 Bedroom - 60% AMI	18	825	\$ 1,322	\$ 1.60	\$ 285,552
3 Bedroom - 30% AMI	2	975	\$ 793	\$ 0.81	\$ 19,032
3 Bedroom - 60% AMI	10	975	\$ 1,586	\$ 1.63	\$ 190,320
Lynch Street					
1 Bedroom - 30% AMI	1	572	\$ 588	\$ 1.03	\$ 7,056
1 Bedroom - 60% AMI	2	572	\$ 1,175	\$ 2.05	\$ 28,200
2 Bedroom - 30% AMI	2	918	\$ 661	\$ 0.72	\$ 15,864
2 Bedroom - 60% AMI	14	918	\$ 1,322	\$ 1.44	\$ 222,096
3 Bedroom - 30% AMI	1	972	\$ 793	\$ 0.82	\$ 9,516
3 Bedroom - 60% AMI	5	972	\$ 1,586	\$ 1.63	\$ 95,160
Palmer Street					
3 Bedroom - 60% AMI	3	1,080	\$ 1,586	\$ 1.47	\$ 57,096
TOTAL	68				\$ 1,051,512

CASH FLOW FROM TOTAL OPERATIONS

YEAR	2012	2,013	2,014	2,015	2,016	2,017	2,018	2,019	2,020	2,021	2,022	2,023	2,024	2,025	2,026
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
INCOME															
Gross Potential Residential Rental Income	\$ 1,051,512	\$ 1,072,542	\$ 1,093,993	\$ 1,115,873	\$ 1,138,190	\$ 1,160,954	\$ 1,184,173	\$ 1,207,857	\$ 1,232,014	\$ 1,256,654	\$ 1,281,787	\$ 1,307,423	\$ 1,333,571	\$ 1,360,243	\$ 1,387,448
Residential Rental Vacancy	\$ (52,576)	\$ (53,627)	\$ (54,700)	\$ (55,794)	\$ (56,910)	\$ (58,048)	\$ (59,209)	\$ (60,393)	\$ (61,601)	\$ (62,833)	\$ (64,089)	\$ (65,371)	\$ (66,679)	\$ (68,012)	\$ (69,372)
Community Room Space	\$ 12,000	\$ 12,240	\$ 12,485	\$ 12,734	\$ 12,989	\$ 13,249	\$ 13,514	\$ 13,784	\$ 14,060	\$ 14,341	\$ 14,628	\$ 14,920	\$ 15,219	\$ 15,523	\$ 15,834
Office Space	\$ 180,000	\$ 183,600	\$ 187,272	\$ 191,017	\$ 194,838	\$ 198,735	\$ 202,709	\$ 206,763	\$ 210,899	\$ 215,117	\$ 219,419	\$ 223,807	\$ 228,284	\$ 232,849	\$ 237,506
EFFECTIVE GROSS INCOME	\$ 1,190,936	\$ 1,214,755	\$ 1,239,050	\$ 1,263,831	\$ 1,289,108	\$ 1,314,890	\$ 1,341,188	\$ 1,368,012	\$ 1,395,372	\$ 1,423,279	\$ 1,451,745	\$ 1,480,780	\$ 1,510,395	\$ 1,540,603	\$ 1,571,415
EXPENSES															
Administration	\$ 21,390	\$ 21,818	\$ 22,254	\$ 22,699	\$ 23,153	\$ 23,616	\$ 24,089	\$ 24,570	\$ 25,062	\$ 25,563	\$ 26,074	\$ 26,596	\$ 27,128	\$ 27,670	\$ 28,224
Utilities	\$ 36,639	\$ 37,372	\$ 38,119	\$ 38,882	\$ 39,659	\$ 40,452	\$ 41,261	\$ 42,087	\$ 42,928	\$ 43,787	\$ 44,663	\$ 45,556	\$ 46,467	\$ 47,396	\$ 48,344
Operating & Maintenance	\$ 242,359	\$ 247,206	\$ 252,150	\$ 257,193	\$ 262,337	\$ 267,584	\$ 272,936	\$ 278,394	\$ 283,962	\$ 289,641	\$ 295,434	\$ 301,343	\$ 307,370	\$ 313,517	\$ 319,788
Taxes & Insurance	\$ 194,097	\$ 197,979	\$ 201,939	\$ 205,977	\$ 210,097	\$ 214,299	\$ 218,585	\$ 222,956	\$ 227,416	\$ 231,964	\$ 236,603	\$ 241,335	\$ 246,162	\$ 251,085	\$ 256,107
TOTAL OPERATING EXPENSES	\$ 494,485	\$ 504,375	\$ 514,462	\$ 524,751	\$ 535,246	\$ 545,951	\$ 556,870	\$ 568,008	\$ 579,368	\$ 590,955	\$ 602,774	\$ 614,830	\$ 627,127	\$ 639,669	\$ 652,462
Net Operating Income	\$ 696,451	\$ 710,380	\$ 724,588	\$ 739,080	\$ 753,861	\$ 768,939	\$ 784,317	\$ 800,004	\$ 816,004	\$ 832,324	\$ 848,970	\$ 865,950	\$ 883,269	\$ 900,934	\$ 918,953
Annual Debt Service	\$ 255,789	\$ 255,789	\$ 255,789	\$ 255,789	\$ 255,789	\$ 255,789	\$ 255,789	\$ 255,789	\$ 255,789	\$ 255,789	\$ 255,789	\$ 255,789	\$ 255,789	\$ 255,789	\$ 255,789
TIF Bond Payment	\$ 254,344	\$ 254,344	\$ 254,344	\$ 254,344	\$ 254,344	\$ 254,344	\$ 254,344	\$ 254,344	\$ 254,344	\$ 254,344	\$ 254,344	\$ 254,344	\$ 254,344	\$ 254,344	\$ 254,344
CASH FLOW AFTER FINANCING	\$ 186,319	\$ 200,248	\$ 214,455	\$ 228,947	\$ 243,729	\$ 258,806	\$ 274,185	\$ 289,871	\$ 305,871	\$ 322,191	\$ 338,838	\$ 355,817	\$ 373,136	\$ 390,802	\$ 408,820
DEBT SERVICE COVERAGE RATIO	1.37	1.39	1.42	1.45	1.48	1.51	1.54	1.57	1.60	1.63	1.66	1.70	1.73	1.77	1.80

Sources of Funds

LIHTC

With 4% credits the NSCDC will be able to raise equity more quickly for this project than with 9% credits, whose supply is very limited. After suffering a severe blow during the financial crisis, LIHTC rates have recovered and are currently between .85 and 95 cents per credit as reported in affordablehousingfinance.com. Due to the increase in current rates we anticipate being able to raise .89 cents per credit based on the current market conditions and NSCDC experience as a developer.

Salem HOME Funds

As a new construction affordable housing development this project qualifies for Salem HOME funds. Salem only received a total allocation of \$102,250 in 2013 due to budget constraints. Ideally we would have liked to receive a larger allocation of local subsidy through the CDBG Program, however after speaking with Jane Guy from Department of Planning and Community Development we determined that as a new construction project this development would be ineligible for CDBG funding.

North Shore HOME Consortium

Salem is a part of The North Shore HOME consortium and as such projects within the city can apply for subsidy funding from the NSCH. The allocation of the funds is achieved through a competitive process during which suitable projects apply for funding annually through and RFP in the Spring. Lisa Greene of the North Shore HOME consortium noted that the NSHC requires projects to have other matching public funding as well as private investment dollars, to leverage the NSHC's subsidies. The match does not have to be a dollar for dollar and there is no Maximum award or minimum award. We have estimated an award of \$5,000 per unit. This is consistent with a recent award the Holfcroft Park Home Phase II development in Beverly.

NORTH SHORE CDC

FHLB

We believe that we will be allowed the max grant amount of \$200k. After careful consideration we decided not to pursue FHLB advance funding.

Affordable Housing Trust Fund

We believe that we will be allocated the maximum amount of \$1,000,000 as a subordinate loan under the AHTF's program.

Tax Increment Financing

Tax Increment Financing is used for projects that would yield significant property tax revenue to the community as a result of their development. These projects not only yield tax revenue but increase the value of the surrounding properties by their development. Typical projects include significant commercial and business development, however we believe that because of the unique nature of this project and because the parking spaces can in the future be leased to the City of Salem, that this project would qualify for TIF financing. With TIF Financing the City raises a bond and the developer tax payment reduced, however the developer would be required to pay back the bond investors. We have calculated the bond repayment over a period of 15 years and included it in our Pro Forma. The maximum repayment term for a TIF bond is 20 years. We have also decided to use the TIF financing to fund the creation of the parking garage on Lynch Street and to only request financing totaling \$2.6 million.

SOURCES OF FUNDS

GRANTS	Amount	Percentage of Total
Brownfield's	\$ 50,000	0.3%
Brownfield's Grant	\$ 200,000	1.1%
FHLB Grant	\$ 200,000	1.1%
Salem HOME Funds	\$ 102,250	0.5%
North Shore HOME Funds	\$ 341,230	1.8%
TOTAL GRANTS	\$ 893,480	4.8%

EQUITY	Amount	Percentage of Total
LIHTC	\$ 3,556,084	19.1%
Deferred Developer's Fee	\$ 2,326,743	12.5%
Sponsor Equity	\$ 100,000	0.5%
TIF Funds for Lynch Parking Structure	\$ 2,640,000	14.2%
TOTAL EQUITY	\$ 8,622,827	46.3%

DEBT	Amount	Percentage of Total
Permanent Loan	\$ 8,097,633	43.5%
Affordable Housing Trust Fund	\$ 1,000,000	
TOTAL DEBT	\$ 9,097,633	48.9%

TOTAL FUNDS	\$ 18,613,940	100.0%
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Uses of Funds

USES OF FUNDS						
LAND AND ACQUISITION	Congress Street	Lynch Street	Palmer Street	Total	Percentage of Total	
Land	\$ 127,000	\$ 118,000	\$ 60,800	\$ 305,800	1.64%	
Acquisition Finance Fee	\$ 5,925	\$ 4,781	\$ 462	\$ 11,168	0.06%	
Acquisition Legal	\$ 5,925	\$ 4,781	\$ 462	\$ 11,168	0.06%	
Aquisition Period Maintenance & Management	\$ 2,963	\$ 2,391	\$ 231	\$ 5,584	0.03%	
Acquisition Title & Recording	\$ 2,963	\$ 2,391	\$ 231	\$ 5,584	0.03%	
Acquisition Interest	\$ 8,888	\$ 7,172	\$ 693	\$ 16,753	0.09%	
TOTAL LAND AND ACUISITION	\$ 153,663	\$ 139,516	\$ 62,879	\$ 356,058	1.91%	
HARD COSTS	Congress Street	Lynch Street	Palmer Street	Total	Percentage of Total	
Environmental	\$ 197,500	\$ 159,378	\$ 15,401	\$ 372,279	2.00%	
Abestos Lead Paint Abatement	\$ 19,750	\$ 15,938	\$ 1,540	\$ 37,228	0.20%	
Sitework & Utilities	\$ 197,500	\$ 159,378	\$ 15,401	\$ 372,279	2.00%	
Landscaping	\$ 49,375	\$ 39,845	\$ 3,850	\$ 93,070	0.50%	
Hardscaping	\$ 79,000	\$ 63,751	\$ 6,160	\$ 148,912	0.80%	
Concrete & Masonry	\$ 296,250	\$ 239,067	\$ 23,101	\$ 558,418	3.00%	
Curtain Wall	\$ 148,125	\$ 119,534	\$ 11,551	\$ 279,209	1.50%	
Structural Steel & Exterior Wall	\$ 167,875	\$ 135,471	\$ 13,091	\$ 316,437	1.70%	
Carpentry	\$ 375,250	\$ 302,818	\$ 29,262	\$ 707,330	3.80%	
Drywall	\$ 419,688	\$ 338,678	\$ 32,727	\$ 791,092	4.25%	
Waterproofing	\$ 39,500	\$ 31,876	\$ 3,080	\$ 74,456	0.40%	
Insulation	\$ 88,875	\$ 71,720	\$ 6,930	\$ 167,525	0.90%	
Roofing	\$ 187,625	\$ 151,409	\$ 14,631	\$ 353,665	1.90%	
Caulking	\$ 19,750	\$ 15,938	\$ 1,540	\$ 37,228	0.20%	
Door, Frames, Hardware	\$ 148,125	\$ 119,534	\$ 11,551	\$ 279,209	1.50%	
Windows	\$ 227,125	\$ 183,285	\$ 17,711	\$ 428,121	2.30%	
Carpet & Flooring	\$ 266,625	\$ 215,160	\$ 20,791	\$ 502,576	2.70%	
Painting	\$ 98,750	\$ 79,689	\$ 7,700	\$ 186,139	1.00%	
Accessories - Fire, Toilet, Accessable	\$ 79,000	\$ 63,751	\$ 6,160	\$ 148,912	0.80%	
Appliances	\$ 69,125	\$ 55,782	\$ 5,390	\$ 130,298	0.70%	
Kitchen & Bathroom Cabinets	\$ 98,750	\$ 79,689	\$ 7,700	\$ 186,139	1.00%	
Hydraulic Elevators	\$ 325,875	\$ 262,974	\$ 25,411	\$ 614,260	3.30%	
Fire Protection	\$ 158,000	\$ 127,502	\$ 12,321	\$ 297,823	1.60%	
Plumbing	\$ 365,375	\$ 294,849	\$ 28,491	\$ 688,716	3.70%	
HVAC	\$ 474,000	\$ 382,507	\$ 36,962	\$ 893,469	4.80%	
Electrical	\$ 375,250	\$ 302,818	\$ 29,262	\$ 707,330	3.80%	
General Contractor						
GC Overhead	\$ 444,375	\$ 358,601	\$ 34,652	\$ 837,627	4.50%	
GC Profit	\$ 296,250	\$ 239,067	\$ 23,101	\$ 558,418	3.00%	
Insurance	\$ 4,938	\$ 3,984	\$ 385	\$ 9,307	0.05%	
Permit Fee	\$ 98,750	\$ 79,689	\$ 7,700	\$ 186,139	1.00%	
Bond	\$ 79,000	\$ 63,751	\$ 6,160	\$ 148,912	0.80%	
Contingency (5%)	\$ 493,750	\$ 398,445	\$ 38,502	\$ 930,697	5.00%	
TOTAL HARD COSTS	\$ 6,389,125	\$ 5,155,878	\$ 498,216	\$ 12,043,219	64.70%	

Uses of Funds Cont'd.

SOFT COSTS	Congress Street	Lynch Street	Palmer Street	Amount	Percentage of Total
Architecture & Engineering	\$ 493,750	\$ 398,445	\$ 38,502	\$ 930,697	5.00%
Survey & Permits	\$ 9,875	\$ 7,969	\$ 770	\$ 18,614	0.10%
Clerk of the Works	\$ 39,500	\$ 31,876	\$ 3,080	\$ 74,456	0.40%
Environmental Engineering	\$ 19,750	\$ 15,938	\$ 1,540	\$ 37,228	0.20%
Legal Fees	\$ 138,250	\$ 111,565	\$ 10,781	\$ 260,595	1.40%
Title & Recording	\$ 19,750	\$ 15,938	\$ 1,540	\$ 37,228	0.20%
Accounting	\$ 24,688	\$ 19,922	\$ 1,925	\$ 46,535	0.25%
Marketing	\$ 19,750	\$ 15,938	\$ 1,540	\$ 37,228	0.20%
Real Estate Taxes	\$ 49,375	\$ 39,845	\$ 3,850	\$ 93,070	0.50%
Insurance	\$ 59,250	\$ 47,813	\$ 4,620	\$ 111,684	0.60%
Inspecting Engineer	\$ 19,750	\$ 15,938	\$ 1,540	\$ 37,228	0.20%
Financing Fees	\$ 11,850	\$ 9,563	\$ 924	\$ 22,337	0.12%
Development Consultant	\$ 21,725	\$ 17,532	\$ 1,694	\$ 40,951	0.22%
Allocation Fee	\$ 9,875	\$ 7,969	\$ 770	\$ 18,614	0.10%
Environmental	\$ 49,375	\$ 39,845	\$ 3,850	\$ 93,070	0.50%
Relocating Expenses	\$ 98,750	\$ 79,689	\$ 7,700	\$ 186,139	1.00%
Contingency (5%)	\$ 493,750	\$ 398,445	\$ 38,502	\$ 930,697	5.00%
TOTAL SOFT COSTS	\$ 1,579,013	\$ 1,274,227	\$ 123,129	\$ 2,976,369	15.99%
FINANCING COSTS	Congress Street	Lynch Street	Palmer Street	Amount	Percentage of Total
Constructing Loan Interest (Capitalized)	\$ 217,250	\$ 175,316	\$ 16,941	\$ 409,507	2.20%
Capitalized Reserves	\$ 197,500	\$ 159,378	\$ 15,401	\$ 372,279	2.00%
Origination Fees	\$ 69,125	\$ 55,782	\$ 5,390	\$ 130,298	0.70%
TOTAL FINANCING COSTS	\$ 483,875	\$ 390,476	\$ 37,732	\$ 912,083	4.90%
Developer Fee (12.5%)	\$ 1,234,375	\$ 996,113	\$ 96,255	\$ 2,326,743	12.50%
APARTMENT UNITS DEVELOPMENT COSTS	\$ 7,805,800	\$ 5,328,900	\$ 767,572	\$ 13,902,272	74.69%
OFFICE & COMMUNITY CENTER DEVELOPMENT COSTS	\$ 1,649,200	\$ -	\$ -	\$ 1,649,200	8.86%
TOTAL PARKING DEVELOPMENT COSTS	\$ 420,000	\$ 2,640,000	\$ 2,468	\$ 3,062,468	16.45%
TOTAL DEVELOPMENT COSTS	\$ 9,875,000	\$ 7,968,900	\$ 770,040	\$ 18,613,940	100.00%

Operating Expenses

OPERATING EXPENSES				
MANAGEMENT	Congress & Lynch	Palmer	Total	
Management Fee	\$ 57,721	\$ -	\$ 57,721	
Payroll	\$ 43,420	\$ 2,004	\$ 45,424	
Payroll Taxes and Insurance	\$ 19,760	\$ 912	\$ 20,672	
Subtotal	\$ 120,901	\$ 2,916	\$ 123,817	
MAINTENANCE & REPAIRS	Congress & Lynch	Palmer	Total	
HVAC	\$ 2,275	\$ 105	\$ 2,380	
Boiler/ Water Heater	\$ 3,965	\$ 183	\$ 4,148	
Cleaning	\$ 6,630	\$ 306	\$ 6,936	
Supplies	\$ 325	\$ 15	\$ 340	
Painting and Decorating	\$ 8,125	\$ 375	\$ 8,500	
Plumbing	\$ 780	\$ 36	\$ 816	
M& R Other	\$ 1,625	\$ 75	\$ 1,700	
Subtotal	\$ 23,725	\$ 1,095	\$ 24,820	
GROUNDS	Congress & Lynch	Palmer	Total	
Lanscaping	\$ 16,250	\$ 750	\$ 17,000	
Snow Removal	\$ 16,250	\$ 750	\$ 17,000	
Subtotal	\$ 32,500	\$ 1,500	\$ 34,000	
OFFICE & ADMINISTRATION	Congress & Lynch	Palmer	Total	
Administrative	\$ 65,000	\$ 3,000	\$ 68,000	
Office	\$ 12,025	\$ 555	\$ 12,580	
Licensing	\$ 5,200	\$ 240	\$ 5,440	
Legal	\$ 1,625	\$ 75	\$ 1,700	
Accounting	\$ 1,300	\$ 60	\$ 1,360	
Subtotal	\$ 85,150	\$ 3,930	\$ 89,080	
UTILITIES	Congress & Lynch	Palmer	Total	
Electricity	\$ 9,620	\$ 444	\$ 10,064	
Gas	\$ 3,965	\$ 183	\$ 4,148	
Trash	\$ 8,320	\$ 384	\$ 8,704	
Water & Sewer	\$ 15,210	\$ 702	\$ 15,912	
Subtotal	\$ 37,115	\$ 1,713	\$ 38,828	
Insurance	\$ 52,000	\$ 2,400	\$ 54,400	
Taxes	\$ 123,825	\$ 5,715	\$ 129,540	
Subtotal	\$ 175,825	\$ 8,115	\$ 183,940	
Total Operations	\$ 475,216	\$ 19,269	\$ 494,485	

Financing Calculations

PERMANENT LOAN CALCULATION

MAXIMUM MORTGAGE AMOUNT	Total
Net Operating Income	\$ 696,451
Debt Coverage Ratio	1.25
Available for Debt Service	\$ 557,160.80
Annual Constant Interest Rate	6.881%
Amortization Term	5.50%
	30
Maximum Mortgage Amount	\$ 8,097,633

LIHTC CALCULATION

CREDIT TYPE	9% Credit	4% Credit
Total Development Cost	\$ 15,973,940	\$ 15,973,940
Less: Non-Eligible Development Costs	\$ (3,020,000)	\$ (3,200,000)
Subtotal: Eligible Basis	\$ 12,953,940	\$ 12,773,940
Difficult to Develop Area Basis Boost	130%	130%
Adjusted Eligible Basis	\$ 16,840,122	\$ 16,606,122
Basis Cap (\$250,000/unit)	\$ 12,000,000	\$ 12,000,000
Applicable Rate	9%	3.33%
Annual Credit Amount	\$ 1,080,000	\$ 399,600
Maximum Annual Credit Amount	\$ 1,000,000	
Total LIHTC Amount for 10 Years	\$ 10,000,000	\$ 3,996,000
Total Credits to LP	\$ 9,999,000	\$ 3,995,600
Equity/Credit Ratio	0.89	0.89
Total Net Syndication Proceeds	\$ 8,899,110	\$ 3,556,084



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