

STEP ONE

TOWN OF MIDDLEBOROUGH APPLICATION FOR COMMUNITY PRESERVATION ELIGIBILITY

NOTE: This application step enables the CPC to review the request to ensure eligibility and offer guidance. If eligible, Step 2 - Application for Funding must be completed.

Date: June 10, 2014
Project Title: Nemasket Apartments Window Project
(7 Frank Street & 8 Hale Avenue)
Applicant/Contact Person: Josephine Ruthwicz
Name of Organization: Middleborough Housing Authority
Address: 8 Benton Street, Middleboro, MA 02346
Telephone: 508.947.3824 x16
Email: jruthwicz.mha@verizon.net

CPA Category (check all that apply): **Open Space** **Historic Preservation**
 Recreation **Community Housing**

CPA Purpose (check all that apply) **Acquire** **Create**
 Preserve **Support**
 Rehabilitate / Restore

CPA Funding Requested: \$ 25,000 **Total Project Cost:** \$ 71,960

1. PROJECT DESCRIPTION: *Provide a brief project description, including how your project accomplishes the goals of the CPA. Include an estimated budget*

Project Description In 1958 MHA constructed the first elderly housing development in Middleborough. This development is known as Nemasket Apartments. Nemasket -1 Apartments is located between Frank, Park and Sproat Streets and Nemasket -2 is located on Maddigan Way. Nemasket -1 Apartments, the location of the CPA project, consists of forty (40) one-bedroom units in a campus style setting with the apartments surrounding a grass park and a community building. The portion of our Nemasket Apartments Window Project to be funded with this Community Preservation grant will entail substitution of all of the original 1958 sliding windows in the twelve apartments located at 7 Frank Street and 8 Hale Avenue with energy efficient double hung windows. These buildings were chosen because they are serviced by the same heat and hot water systems; therefore, upon completion it will be easier to identify cost savings. The existing apartment windows are single pane, metal sliding windows which are very inefficient (See Exhibit A – pictures of 7 Frank Street (rear) & 8 Hale Avenue (front) windows). We can no longer locate replacement parts for the window locking mechanism; the same situation exists for the window screens- which are now duct taped in. The windows are heavy and no longer able to be easily opened or closed by the elderly tenants. In 2009 MHA completed a Capital Needs Assessment which identified and prioritized the capital needs of all our housing developments. Window and door replacement at the Nemasket Apartments was listed as a priority. In the fall of 2010 the Middleboro Gas & Electric Department conducted an energy audit due to our high utility consumption. It was determined that there was substantial heat loss

in the apartments due to lack of air sealing at doors and windows. In conjunction with the CPA component of the Nemasket Window Project, Middleborough Housing Authority (MHA) will fund the cost of insulation and exterior siding on the façades below the new windows in order to maximize energy and cost savings. These façades presently have no insulation and consist only of sheetrock on the interior and a plywood panel on the exterior. Additionally, MHA will fund the cost of the MHA employees to implement both components of the project. It is anticipated that the project will cost 40% more if not completed by MHA staff. MHA has also received a Massachusetts Housing Partnership (MHP) grant for an electric upgrade and some door replacements in this development. Once the proposed changes are completed, the elderly tenants will feel warmer in winter, more comfortable in the summer, but most importantly, retain their housing.

Project accomplishes the CPA Goals of Preserve and Support

The Nemasket Window Project meets the goals of the CPA by preserving existing low income housing in our community. By supporting this project, the housing for our low income elderly residents will be protected from destruction. MHA continually endeavors to provide decent, safe and sanitary housing to low income residents of Middleborough. There consistently is a need for affordable housing for our seniors as shown by our wait list of 161 applicants. Due to the demonstrated need for affordable housing in our community, MHA’s objective continues to be preservation of our existing affordable housing. Our state reporting agency, the Massachusetts Department of Housing and Community Development (DHCD), feels that many units are no longer cost effective to be leased up and have recommended that the units be left vacant or razed unless they can be made more energy efficient and cost effective. We have recently seen units in Taunton and Fall River razed for this reason. Due to the established need for affordable housing, MHA prefers to preserve our existing affordable housing. In May 2013, Nemasket-1 was rated as one of 397 state -aided affordable housing developments in the Commonwealth that is in need of preservation. MHA therefore was eligible to apply for the MHP matching funds preservation grant.

Estimated Budget

The Nemasket Window Project will be comprised of two components. The CPA component of the Nemasket Window Project will entail removal of the five sliding windows in each of the twelve (12) apartments of the 7 Frank Street and 8 Hale Avenue buildings and then installing energy efficient double hung windows, resulting in a total of 100 new windows. Reflected below is the price from Harvey Windows for the sizes of windows we purchased in 2014 for the Park Street window project. A ten percent (10%) price increase is also included in the budget since it will be approximately 15 months before these windows can be purchased. The MHA component of the project will include plywood and insulation to be attached to the existing façade in the front and rear of each building below the present windows. Clapboard style Hardiboard will be the exterior siding. This same Hardiboard was recently installed on the Nemasket Community Building and will compliment the Nemasket Apartments housing units. By implementing both components, we will be able to provide a safer, more comfortable and energy efficient apartment for our elderly tenants. As previously stated, as a cost savings measure, all labor will be supplied by experienced MHA maintenance staff. Below is a breakdown of anticipated project costs:

Double hung, insulated windows	\$ 190 x 120 windows	=	\$ 22,800
10% inflation			\$ 2,200
Insulation, plywood, Hardiboard			\$ 6,500
Misc supplies (caulking, paint, nails, Tyvek, etc)			\$ 3,500
Labor – windows	\$ 28 /hr x 360 hrs	=	\$ 10,080
Labor – façade	\$ 28/hr x 960 hrs	=	<u>\$ 26,880</u>
TOTAL PROJECT COST			\$ 71,960

2. PROPOSED TIME LINE: *Submit a project implementation schedule of key milestones*

Project Implementation Schedule The Nemasket Window Project is expected to be completed within six months of notification of award. Once approval is received, the procurement for windows will begin and other necessary supplies can be ordered. Additionally, the permit application will be submitted to building department - as a municipal agency completing the work, there is no permit fee. There are five sliding windows in each apartment. These windows will be removed and double hung insulated windows will be installed. It is anticipated that it will take four to eight weeks for the windows to be delivered. MHA maintenance staff will install the windows in the ten apartments and insulate and install the façade improvements on both buildings. Assuming grant notification after spring 2015 town meeting the implementation schedule of key milestones will be as follows(weather permitting):

<u>Milestone</u>	<u>Dates</u>
Award Notification	July 2015
Window Procurement	July – August 2015
Supplies Received	September 2015
Installation	October- November 2015
Completion	December 2015

3. SOURCES OF FINANCIAL SUSTAINABILITY FOR FUTURE MAINTENANCE:

Submit documentation of financial sustainability & anticipated resources for future maintenance

Financial Sustainability and Resources for Future Maintenance

The Nemasket-1 section of the Nemasket Apartments was constructed in 1958 with state funds on town donated land. There is no mortgage on the property. MHA's operating budget for the 400-C Program, which includes the Nemasket Apartments, is derived from apartment rental income and state subsidy. In our 2014 fiscal year (1/1/14-12/31/14) the operating budget includes our state subsidy for the 400-1 Program in the amount of \$74,226 (\$52.42 per month per unit) and our maintenance materials budget of \$42,350. The operating budget for the 400-C developments is approximately these amounts annually (See Exhibit B – 400-C Budget). The Maintenance Material budget will fund the MHA component of the project. MHA has three (3) full time maintenance staff who will implement this project. The maintenance employees each have over 25 years experience in the construction field. The attached 400-C budget provides documentation that MHA has the financial sustainability for future maintenance of the Frank Street and Hale Avenue buildings at our Nemasket Apartments elderly housing development. Additionally, MHA received the MHP High Leverage Asset Preservation Program (HILAPP) grant in the amount of \$447,000 to upgrade the electric distribution system and \$40,000 to replace the existing 1958 front entrance doors. This grant requires receipt of funds from outside sources which MHP will then match \$2.00 for every \$1.00 received. The prior FY14 \$20,000 CPA grant award was the catalyst for MHA to receive over \$1 Million in other grant funds! The combination of these grants is greatly improving the lives of our elderly and disabled tenants as well as the sustainability of these buildings.

4. OTHER KEY ELEMENTS *Submit documentation of community support*

Community Support - The MHA Director met with the residents of the Nemasket Apartments at their monthly tenants association meeting of May 14, 2014. All residents residing in both sections of the Nemasket Apartments development are eligible to participate in the Nemasket Tenants Association (NTA) meetings and activities. At these meetings, the Director explained the Community Preservation Act, the application process and potential eligible projects. The tenants unanimously and enthusiastically supported a CPA application that would preserve their housing and eliminate the drafty windows (See Exhibit C - NTA letter of support). At their May 15, 2014 meeting, the MHA Board of Commissioners voted to authorize the Director to submit a Community Preservation application for the Nemasket Apartment Window Project (See Exhibit

D - MHA letter of support). DHCD has encouraged local housing authorities to apply for CPA and other grant funds to assist with capital needs and also supports our CPA application (See Exhibit E - DHCD letter of support). The project has also been reviewed with the Building Inspector, who has informed us that since MHA staff will be implementing the project, no permit fee will be required.

LIST OF EXHIBITS

EXHIBIT A PICTURES

- A-1** Nemasket Apartments - 8 Hale Avenue- front, windows & siding
- A-2** Nemasket Apartments - 7 Frank Street- rear, windows & siding

EXHIBIT B MHA FY13 Budget - Maintenance Materials

EXHIBIT C Nemasket Tenants Association Letter of Support

EXHIBIT D MHA Board of Commissioners Letter of Support

EXHIBIT E DHCD Letter of Support



05/27/2014



05/27/2014

EXHIBIT B

3 0.288461538 REVISION # 1 PENDING DHCD APPROVAL
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**MIDDLEBOROUGH HOUSING AUTHORITY
COST COMPARATIVE
STATE 400-C PROGRAM NEMASKET AND ARCHER COURT
PERIOD JANUARY 1, 2014 TO APRIL 30, 2014**

BUDGET LINE ITEMS	TOTAL BUDGET	BUDGET TO DATE	ACTUAL TO DATE	VARIANCE (BAD)	BALANCE TO YEAR END
INCOME					
DWELLING RENTS	523,000	174,333	161,706	(12,627)	361,294
INTEREST	500	167	181	14	319
OTHER REVENUE	3,500	1,167	1,294	127	2,206
RETAINED REVENUE	3,500	1,167	1,163	(3)	2,337
TOTAL INCOME	530,500	176,833	164,344	(12,490)	366,156
EXPENSES					
ADMINISTRATIVE					
SALARIES	44,093	12,719	12,493	226	31,600
LEGAL	3,000	1,000	0	1,000	3,000
MEMBERS COMP	3,200	1,067	0	1,067	3,200
TRAVEL	1,827	609	44	565	1,783
ACCOUNTING	7,500	2,500	2,400	100	5,100
AUDIT FEE	2,000	667	0	667	2,000
SUNDRY ADMIN COSTS	14,812	4,937	4,501	436	10,311
TENANT SERVICES					
CONTRACT COSTS	708	236	0	236	708
UTILITIES					
WATER & SEWER	45,875	15,292	0	15,292	45,875
ELECTRIC	58,061	19,354	11,267	8,086	46,794
GAS	62,949	20,983	27,431	(6,448)	35,518
FUEL OIL	46,643	15,548	25,044	(9,496)	21,599
OTHER	0	0	0	0	0
MAINTENANCE					
LABOR	95,848	27,648	20,990	6,658	74,858
MATERIALS	42,350	14,117	3,124	10,992	39,226
CONTRACT COSTS	78,658	26,219	15,530	10,689	63,128
GENERAL EXPENSES					
INSURANCE	22,699	7,566	6,214	1,352	16,485
PILOT	1,008	336	336	0	672
EMPLOYEE BENEFITS	69,995	23,332	19,064	4,268	50,931
COLLECTION LOSSES	2,600	867	0	867	2,600
OTHER GENERAL EXPENSES	0	0	0	0	0
NONROUTINE EXPENSES					
EXTRAORD NOT CAPITALIZED	62,000	20,667	9,148	11,518	52,852
EQUIP NOT CAPITALIZED	12,000	4,000	0	4,000	12,000
CAPITAL EXPENDITURES					
EQUIPMENT CAPITALIZED	0	0	0	0	0
BETTERMENTS	75,000	25,000	0	25,000	75,000
TOTAL EXPENSES	752,826	244,663	157,588	87,075	595,238
SURPLUS (DEFICIT)	(222,326)		6,756		
SUBSIDY	74,226		32,233		
INCOME(DEFICIT)	(148,100)		38,989		

SEE ACCOUNTANT'S COMPILATION REPORT

EXHIBIT C

NEMASKET TENANTS ASSOCIATION
Middleboro, Massachusetts 02346

May 14, 2014

Jane Lopes, Chair
Community Preservation Committee
10 Centre Street
Middleboro, MA 02346

Re: Nemasket Apartments Window Project

Dear Ms. Lopes,

This letter serves to inform you that at our May 14, 2014 Nemasket Tenants Association meeting, the members voted to support the application of the 7 Frank Street and 8 Hale Avenue Window Project for funding from the Town of Middleborough's Community Preservation Fund.

Sincerely,

A handwritten signature in cursive script that reads "Daniel Cavanaugh".

Daniel Cavanaugh
President, NTA

EXHIBIT D

MIDDLEBOROUGH HOUSING AUTHORITY
8 Benton Street
Middleboro, Massachusetts 02346
Tel: (508) 947-3824 fax (508) 947-6393
middleboro.ha@verizon.net

May 15, 2014

Jane Lopes, Chair
Community Preservation Committee
10 Centre Street
Middleboro, MA 02346

Re: Nemasket Apartments Window Project – 7 Frank Street and 8 Hale Avenue

Dear Ms. Lopes,

This letter serves to inform you that at their May 15, 2014 meeting the Middleborough Housing Authority Board of Commissioners voted to support the Nemasket Apartments 7 Frank Street and 8 Hale Avenue Window Project and to submit a Step 1 CPA application. At this meeting, the Board of Commissioners also authorized the Chairman to send a letter supporting this grant application.

Additionally our accountant working with the Executive Director, has prepared the FY14 operating budget for the 400-1 developments, which includes the Nemasket Apartments. The FY14 budget contains line items for Maintenance Labor (employee's salaries) and Maintenance Materials & Supplies. The proposed budget line items include sufficient funds for the labor and supplies necessary to complete this project as well as any cost over runs that may occur.

The Middleborough Housing Authority, as a provider of affordable housing to local residents, realizes that there continues to be a dire need for affordable housing to our residents of low to moderate income. By providing CPA funds, the Nemasket Apartment Window Project will be able to address capital needs to the elderly affordable housing inventory, and thereby assist in preserving the affordable housing stock in our community. Through community partnerships such as this, we remain committed to working together in order to provide and maintain safe, affordable housing for the residents of our community.

It is our sincere hope that the Committee will agree that this CPA grant application continues to be a worthwhile project and will forward it to town meeting for approval.

Sincerely,



Arlene R. Dickens
Chairman

ARD/jr



EXHIBIT E



Commonwealth of Massachusetts
DEPARTMENT OF HOUSING &
COMMUNITY DEVELOPMENT

David L. Patrick, Governor ♦ Timothy P. Murray, Lt. Governor ♦ Aaron Gomstein, Undersecretary

June 25, 2012

Ms. Josephine Ruthwicz
Executive Director
Middleborough Housing Authority
8 Benton Street
Middleborough, MA 02346

Dear Ms. Ruthwicz

The Department of Housing and Community Development (DHCD) supports the Middleborough Housing Authority's (MHA's) application for CPA funding for modernization and restoration work at the Nemasket Apartments elderly development (667-1). The CPA funding will be earmarked to replace metal sliding windows that are original to the project which was built in 1958. These windows are very difficult for the elderly to operate and because parts are not readily available the locks no longer work and the windows and screens no longer seal properly, making a less comfortable environment for the residents due to drafts in winter and insects in summer and causing high utility bills for MHA.

As a public agency, DHCD's mission statement correlates with CPA's core community concerns, namely the preservation and rehabilitation of affordable public housing essential to serve communities and low-income households and individuals. DHCD has recently transitioned to a formula funding program that allocates a percentage share of available state-wide capital funding to each housing authority based on the capital needs of each housing authority's portfolio. While our program is an important start in providing LHAs with a reliable funding stream to start to make long overdue capital improvements, our resources are far short of need. MHA's three year formula funding award for its 190 state funded units is \$387,226.00. Based on a state-wide capital needs assessment, DHCD estimates MHA's 10-year capital need at approximately \$2.4 million. Given the resources immediately available, MHA is unable to complete the window project in the immediate future without funding it from another source.

The Middleborough Housing Authority Board of Commissioners and the Executive Director have worked tirelessly in seeking and obtaining state funding to maintain and upgrade their portfolio. Given the magnitude of need and DHCD's funding limitations, DHCD wholeheartedly supports the MHA's efforts and greatly appreciates the CPA committee's consideration of the Middleborough's application for additional funding.

Sincerely,

Ray Frieden
Director
Bureau of Housing Development and Construction

