



**CITY of BEVERLY
PLANNING AND COMMUNITY
DEVELOPMENT DEPARTMENT**

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November 23, 2015

Re: The City is seeking Letters of Interest from interested property owners prior to the submission of our application to better understand the community's needs relative to a housing rehabilitation program.

Dear Property Owner:

The City of Beverly is preparing to apply to the Commonwealth of Massachusetts for a Community Development Block Grant (CDBG). We have received feedback during multiple public meetings that there is a need to create and preserve affordable housing units in the Gloucester Crossing Target Area. Specifically, a need for housing rehabilitation has been identified during these meetings and as part of our information gathering process we are requesting property owners complete the attached letter of interest. If there is a demonstrated community need for housing rehabilitation the City anticipates including a request to support a Housing Rehabilitation Program as part of our CDBG application.

The program would offer 0% loans to property owners to address housing problems affecting low-to-moderate income persons in order to provide residents with decent, safe, and affordable housing. Loans would be made available to rehabilitate owner-occupied, nonprofit or investor-owned single and multi-family rental properties (1-4 Units). Please note that this letter is not a guarantee of funding. If the City's application is successful, funds would be available to complete eligible rehabilitation activities by around summer of 2016.

FEDERAL AND STATE REQUIREMENTS FOR THIS PROGRAM:

- We require that at the time of full application to the program (this would be after the City has secured their grant), that a property receiving any assistance must have at least 51% of its units be occupied by low-to-moderate income households.
- At least one out of the two units must be occupied by a low-to-moderate income household to qualify. Any units within the property receiving specific assistance must itself be occupied by a low-to-moderate income household at the time of full application. For building-wide improvements that benefit multiple units within the property, the property will meet the requirement by virtue of having 51% of its units being occupied by low-to-moderate income households.
- A property that undergoes rehabilitation with funds from this program, must, after completion, have a majority (at least 51%, or 50% for two family property) of the units occupied by low-to-moderate income households that are paying "affordable rents" Affordable Rent rates for Low and Moderate Income Tenants, Fair Market Rents for Existing Housing, and Allowances for Tenant-Furnished Utilities and Other Services; it is a goal of this program that a tenant should not repaying more than 30% of their gross income on rent). *See Attachment A*
- Housing receiving assistance must follow established requirements for notification, evaluation and reduction of lead-based paint hazards.
- If assistance is provided and the building is rehabilitated, you must inform your tenants that they will be able

to lease and occupy their present apartment (or another suitable, decent, safe and sanitary apartment in the same building) upon completion of the rehabilitation.

-All units assisted with CDBG Housing Assistance funds must, if possible, meet Housing and Urban Development (HUD) Section 8 Minimum Housing Quality Standards.

GUIDELINES FOR REHABILITATION PROGRAM:

(Please note: the following guidelines are tentative, and are subject to change prior to grant funds being made available.)

- Properties receiving grant funds must be located within the Gloucester Crossing Target Area.
- Maximum grant assistance amount per unit is \$30,000.00.
- Rent levels for assisted units may not exceed established fair market rent levels for a period of 15 years.
- Investor loans will be structured as a 0%, 15 years, direct amortizing loan.
- Owner occupant loans will be structured as a 0%, 15 years, deferred loan **or** a 0%, 15 years, direct amortizing loan if your housing to income debt ratio is less than 30%
- Should the owner have a deferred loan and sells the property within 15 years, a portion of the grant must be paid back; this amount decreases by 6.66% of the grant amount per year. After 15 years, the property may be sold with no payback required.
- Upon completion of the substantial rehabilitation project, code violations cited by the Rehabilitation Specialist and/or the City's Code Enforcement agencies shall be corrected to their satisfaction.
- The City may require properties that are ultimately selected for grants to complete an energy audit, and include energy efficiency improvements recommended in that audit in the final project scope of work.
- If a property has any tax, water, or sewer liens against it at the time of full application submission, the property owner will need to work with the City of Beverly to rectify these issues in a timely manner.

REHABILITATION ACTIVITIES UNDERTAKEN IN PRIOR YEARS

Plumbing- Heating- Electrical- Sprinklers- Egress/ingress- Handicapped access- Lead-based paint removal - Removal of other hazardous materials- Foundation- Roofing -Siding, Energy efficiency/insulation- Windows- Entrances- Bathrooms and kitchen- Stairways- Building and life safety code issues.

The City is prepared to give priority consideration to property owners who complete a Letter of Interest by the below deadline, and who agree to the following additional requirements:

- ▲ The City not the (owner), will survey ALL tenants in the property to determine which of them are low-to-moderate income, and to obtain other information regarding desired improvements to the unit(s) they currently rent.
- ▲ The property owner will allow the City's to briefly inspect the property (walk through) to identify rehabilitation priorities and potential code violations.

If it is determined that a need exists and a Housing Rehabilitation Program is included in the City's application for funding; the City will provide you with a program brochure, program guidelines and a pre-application. A formal application is required if the program is funded.

Letters of Interest (attached) are due by 4:00 PM on Thursday, December 20, 2015

Please mail or drop off your completed Letter of Interest to: City of Beverly Planning and Community Development Office, 191 Cabot Street, Beverly, MA 01915 Attn: Margaret O'Brien

or e-mail to: mobrien@beverlyma.gov

If you have any questions regarding this program, please contact Margaret O'Brien, Housing Coordinator, City of Beverly, at 978-605-2408, or at mobrien@beverlyma.gov

Letter of Interest
Gloucester Crossing Housing Rehabilitation Program

(Please Print)

Property Address: _____

Property Owner (s): _____

Property Owner's Address: _____

Telephone: _____ Mobile Phone: _____ Email: _____

Type of Property: (please check) Single-family Two Family 3 Family 4 Family

Is the Property: (please check) Owner-occupied Investor-owned Non-Profit

Number of Bedrooms in each unit Unit 1 ___ Unit 2 ___ Unit 3 ___ Unit 4 ___

Number of Occupants in each unit: Unit 1 ___ Unit 2 ___ Unit 3 ___ Unit 4 ___

Number of Disabled persons in unit: Unit 1 ___ Unit 2 ___ Unit 3 ___ Unit 4 ___

Gender of Head of Household (note: F or M) Unit 1 ___ Unit 2 ___ Unit 3 ___ Unit 4 ___

If your property is owner-occupied please provide the following information for your household

FAMILY INCOME / GROSS ANNUAL INCOME

<u>Circle # in Family</u>	<u>Gross Income</u>	<u>Please Circle (Above or Below)</u>
1	\$48,800	Above Below
2	\$55,800	Above Below
3	\$62,750	Above Below
4	\$69,700	Above Below
5	\$73,500	Above Below
6	\$80,900	Above Below
7	\$86,450	Above Below
8	\$92,050	Above Below

Beneficiary Information: Family Race/Ethnicity: Indicate by putting a number on the appropriate line

White _____ Black/African American _____ Asian American _____ Indian/Alaskan Native _____
 Native Hawaiian/Other Pacific Islander _____ American Indian/Alaskan Native & White _____
 Asian & White _____ Black/African American & White _____ American Indian/Alaskan Native &
 Black/African American _____

This Interest Letter, and all information contained in it, is considered confidential and details will not be shared with anyone. However, we will summarize the data in order to demonstrate support and need while preparing our grant application to DHCD.

Signature of Property Owner(s)

_____ Date: _____

_____ Date: _____

Attachment A

FY2015 FMR Geography Summary for Beverly city, Massachusetts

Beverly city is part of the Boston-Cambridge-Quincy, MA-NH HUD Metro FMR Area.

The **Boston-Cambridge-Quincy, MA-NH HUD Metro FMR Area** is made up of the following:

ESSEX COUNTY, MA TOWNS OF Amesbury town, MA; Beverly city, MA; Danvers town, MA; Essex town, MA; Gloucester city, MA; Hamilton town, MA; Ipswich town, MA; Lynn city, MA; Lynnfield town, MA; Manchester-by-the-Sea town, MA; Marblehead town, MA; Middleton town, MA; Nahant town, MA; Newbury town, MA; Newburyport city, MA; Peabody city, MA; Rockport town, MA; Rowley town, MA; Salem city, MA; Salisbury town, MA; Saugus town, MA; Swampscott town, MA; Topsfield town, MA; Wenham town, MA;

FY2015 Fair Market Rent Summary

Beverly city, Massachusetts					
	Efficiency	1 Bedroom	2 Bedrooms	3 Bedrooms	4 Bedrooms
<u>Final FY2015 FMRs</u>	\$1,071	\$1,196	\$1,494	\$1,861	\$2,023

FY 2015 Income Limits Summary

Beverly city, Massachusetts										
FY 2015 Income Limit Area	<u>Median Income</u>	FY 2015 Income Limit Category	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Beverly city, MA	\$98,500	<u>Very Low (50%) Income Limits</u>	\$34,500	\$39,400	\$44,350	\$49,250	\$53,200	\$57,150	\$61,100	\$65,050
		<u>Extremely Low (30%) Income Limits</u>	\$20,700	\$23,650	\$26,600	\$29,550	\$31,950	\$34,300	\$36,730	\$40,890
		<u>Low (80%) Income Limits</u>	\$48,800	\$55,800	\$62,750	\$69,700	\$75,300	\$80,900	\$86,450	\$92,050

Attachment A-2

**Summary
Allowance for Tenant-Furnished
Utilities and Other Services**

Locality : Beverly Housing Authority		National Grid/City of Bev						Date : 10/01/2014	
5600 AHDD		Monthly Dollar Allowances							
Unit Type	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR	7 BR	
Mobile Home (Manufactured Home)*									
a. Natural Gas	40	49	63	81	101				
b. Electric	41	50	65	83	104				
c. Bottle Gas	101	122	158	203	253				
d. Oil	97	117	151	193	242				
High-Rise with Elevator									
a. Natural Gas	41	47	56	68	76	96	110	124	
b. Electric	37	46	56	69	86	100	115	130	
Row House/Garden Apt (Rowhouse/Townhouse)*									
a. Natural Gas	40	53	72	90	109	127	146	165	
b. Electric	41	55	74	93	112	131	150	170	
c. Bottle Gas	101	134	182	227	275	320	367	415	
d. Oil	96	128	174	216	262	305	350	396	
Two-Three Family/Duplex (Semi-Detached)*									
a. Natural Gas	48	63	83	103	120	137	158	178	
b. Electric	50	64	85	105	124	141	162	183	
c. Bottle Gas	122	157	208	258	303	344	396	447	
d. Oil	116	150	198	246	289	328	377	427	
Older Multi-Family (Low Rise)*									
a. Natural Gas	43	57	76	94	113	130	149	168	
b. Electric	45	58	78	96	116	133	153	173	
c. Bottle Gas	109	143	191	236	284	326	374	423	
d. Oil	104	136	182	225	270	310	357	403	
Older Home Converted (Semi Detached)*									
a. Natural Gas	46	59	79	98	117	132	151	171	
b. Electric	47	61	82	101	121	135	155	176	
c. Bottle Gas	116	149	200	247	295	331	381	430	
d. Oil	111	142	190	236	281	315	363	410	
Single Family Detached									
a. Natural Gas	53	72	86	108	122	142	164	185	
b. Electric	54	74	88	111	126	146	168	190	
c. Bottle Gas	133	180	216	272	307	357	411	466	
d. Oil	127	172	206	259	293	341	392	443	
All Unit Types-Cooking									
a. Natural Gas	7	9	13	16	20	21	24	27	
b. Electric	9	12	16	20	25	27	31	35	
c. Bottle Gas	19	24	32	40	49	53	61	69	
All Unit Types-Electricity	32	41	55	69	85	92	106	119	
All Unit Types-Water Heat									
a. Natural Gas	9	12	16	20	24	26	30	34	
b. Electric	13	17	23	29	35	38	44	50	
c. Bottle Gas	23	30	40	50	61	66	76	86	
d. Oil	20	26	34	42	52	57	65	74	
Range (Tenant Owned)	4	4	5	5	6	6	6	6	
Refrigerator (Tenant Owned)	4	4	4	5	5	6	6	6	
Water	10	15	21	28	32	37	42	48	
Sewer	23	37	50	66	76	89	102	114	