City of Beverly
Beverly Affordable Housing Trust

2018 Funding Application

August 31, 2018

CABOT HOUSING

Submitted by:
YMCA of the North Shore, Inc.

City of Beverly
Beverly Affordable Housing Trust
Funding Application

Project/Program Name: Cabot Housing

Project Location

Street Address: 245 Cabot Street, Unit 2 **Assessor's Map & Lot #:** Parcel ID 11-458-2, Plan Book 311, Plan 49

Legal Property Owner of Record: YNS Affordable Housing Inc.

Sponsor(s)/Organization: YMCA of the North Shore, Inc.

Contact Person Name & Title: Kevin McCarthy, CFO

Telephone: 978-564-3074 **Email:** mccarthyk@northshoreymca.org

Mailing Address: 245 Cabot Street, Beverly, MA 01915
Email Address: mccarthyk@northshoreymca.org

Budget Summary

Total Trust Funds Requested: $250,000

Total Project Cost: $19,548,470

Sponsor's Signature: **Date:** 8-23-18

Sponsor's Printed Name & Title: Chris Lovasco, CEO

Project Summary: *Please summarize the proposed project and any special features (support services, sustainability or energy conservation components, historic preservation, etc.)*

Cabot Housing is a combination of renovation and new construction, and will transform 45 existing, obsolete single room occupancy units, add a floor to the existing building, and create 69 units of studio apartments in downtown Beverly. The project will continue to serve low income individuals, with the majority of units for individuals at or below 50% AMI.

The location of this project is in downtown Beverly, within easy walking distance of many services and amenities. In addition, it is less than a half-mile walk to the Beverly Depot MBTA commuter rail station, and both the MBTA bus and the CATA bus run in front of the building, along Cabot Street. It is a true transit-oriented project, and embodies many smart growth principles: reuse of an existing building, high density in a downtown location, walking distance to amenities, and access to transit. This project presents a wonderful opportunity to both maintain and increase access to housing for very low income and at-risk individuals within a thriving, downtown location.

The existing 45 units were originally designed with shared kitchens, and they do not have individual cooking facilities, greatly limiting residents' self sufficiency. The existing units are also very small (some only 100 sf), and the project is lacking in common spaces, hindering interaction amongst residents. The building is aging, systems are in need of updating and replacement, finishes need replacement, and a leaking roof has rendered several units unoccupiable. The new 69 units will all be expanded in size, with private bathrooms and in-unit kitchens at all units. Several common space for both residents and staff will be added, increasing the ability of the project to provide programming and services to residents.
The proposed redevelopment will rebuild and enlarge the existing 45 units, with new private bathrooms and adding a small kitchen and a storage space to every unit. In addition, the housing will capture additional square footage: a portion of the existing gymnasium space on the second floor will be structurally infilled to create more usable floor space and a new, fourth floor will be added to the top of the existing building. This newly created square footage allows for an additional 24 units to be built, bringing the total up to 69 units. New common spaces, including upper-floor laundry rooms and a large meeting room/lounge will also be added. High efficiency mechanical systems will be used, water-saving plumbing fixtures will be added, and Energy Star appliances installed.

The existing units are on floors two and three, and current resident access is via stairs only. There is no dedicated elevator currently, and residents with mobility restrictions must currently be ushered through the Y's offices in order to use an elevator. The existing elevator is also original to the building, and does not meet stretcher code standards, which creates a real challenge for EMTS responding to calls from residents. The renovation will feature a new, second elevator dedicated to the apartments only, and will meet stretcher code, greatly enhancing life safety for all residents.

All units will be affordable with the majority serving individuals below 50% AMI. Of the 69 units, 20 will be for individuals at or below 30% AMI, 38 will be for individuals at or below 50% AMI, and the remaining 11 units will be for individuals at or below 60% AMI. The goal of the project is to provide the deepest level of affordability possible, along with supportive services.

To support the lower income units, there are 15 MRVP vouchers which would be extended, an additional eight Section 8 vouchers, and five HUD 811 vouchers (for developmentally disabled) are proposed.

There are special populations that will be served with this project: 10 units will be reserved for developmentally disabled individuals (5 DDS clients via Northeast Arc, and 5 811 clients). Ten units will be set aside for homeless individuals. A new, full-time case worker will be available to all residents. This unit

mix will allow the YMCA to continue serving its existing very low income population, and to create new housing opportunities for at-risk populations.

Suggested Vote Language (only for use by the BAHT Trustees)

1. Sources of Funds: *Check all that apply, include dollar amount, and circle if funds are committed or proposed.*

✓Beverly Affordable Housing Trust Fund	$ 250,000	committed/proposed
✓Beverly Community Preservation Fund	$ 200,000	committed/proposed
✓Beverly HOME	$ 20,613	committed/proposed
✓Private Bank Loan	$1,500,000	committed/proposed
Sales Revenue	$	committed/proposed
✓Other: Federal LIHTC (Low Income Housing Tax Credits)	$ 5,543,743	committed/proposed
✓Other: State LIHTC	$ 3,749,625	committed/proposed
✓Other: Fed Home Loan Bank	$ 500,000	committed/proposed
✓Other: State (DHCD) funds	$ 5,300,850	committed/proposed
✓Other: North Shore HOME Consortium	$ 150,000	committed/proposed
✓Other: Existing soft debt	$ 1,278,151	committed/proposed
✓Other: Sponsor Notes	$ 1,055,489	committed/proposed

If any, list deadlines for other critical funding applications:
The State (DHCD) has an upcoming funding round for both the LIHTC and soft debt funds (the "OneStop"), with an anticipated schedule of pre-applications due November 2018 and full applications due February 2019. This funding is essential to making the project feasible. Local funding makes a project much more competitive in the State funding rounds, and needs to be committed by the time we submit the OneStop application.

The North Shore HOME Consortium does an annual call for funding applications, expected Fall 2018.

The application for the Federal Home Loan Bank (FHLB) grant was submitted in July 2018, awards will be made in December 2018.

A request for a modest amount of Beverly HOME funds has been made.

2. Uses of Funds: *Check all that apply.*

Predevelopment *(feasibility, engineering, appraisals, environmental studies/testing/mitigation, legal work, etc.)*

✓Acquisition

✓Rehabilitation/Capital Improvements

Site Preparation *(tree clearing, earth removal, etc.)*

✓New Construction

Redevelopment

Other (please explain) _____

3. Targeted Population: *Check all that apply.*

Family

✓Homeless/At Risk of Homelessness

Senior/Elderly

✓Special Needs (identify population): 10 units set aside for developmentally disabled individuals

✓Housing with Support Services (identify service providers): All residents will have access to a full-time caseworker/services coordinator. Provider TBD.

Other (identify): _____

4. Type of Housing: *Check all that apply.*

Homeownership:

Single Family

Condominium

Cooperative

Other

Rental:

Single Room Occupancy

✓Individual/Family: small studios for individuals

Group Residence, Congregate

Other

5. Unit Composition: *List number of units in each category*

	Total	<=30% AMI	<=50% AMI	<=60% AMI	<=100% AMI	<=120% AMI	Market Rate
Studio	69	20	38	11			
1 Br	0						
2 Br	0						
3 Br	0						
4 Br/+	0						

Note: 2017 Fair Market Rents: $1,194 (Efficiency); $1,372 (1 Br); $1,691 (2 Br); $2,116 (3 Br); $2,331 (4 Br) (www.huduser.org)

ATTACHMENTS CHECKLIST

Asterisks (*) indicate required attachments for DEVELOPMENT PROJECTS. All other listed information should be provided as applicable to the project.

1. Financial

- ✓ *Development pro forma using the state's One Stop Application Format (download the state's One- Stop Application form at: www.mhic.com/onestop_downloads.cfm) and 10 year operating budget if available for rentals (once again using the state's One Stop format)
- ✓ *Identify all proposed housing-related expenses (e.g., utilities, condominium fees, parking fees, etc.)
- ✓ *Letters of financial commitment or description of all financing and finance sources planned

N/A (Provide an explanation why these attachments are not available)

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2. Qualifications

- ✓ *Describe applicant's capacity for undertaking project and previous experience developing similar, successfully completed projects.
- ✓ *References (e.g., banks, affordable housing clients, municipal/state agencies, etc.) Describe applicant's qualifications and capacity for undertaking the project including experience developing similar, successfully completed projects. For nonprofit organizations: Submit organization mission statement.
- ✓ Photographs of similar projects or other applicable built projects.
- ✓ Past 2-years of audited financial statements, if applicable.

N/A (Provide an explanation why these attachments are not available)

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3. Community Need

- ✓ Describe how the proposed project meets the BAHT's Funding Priorities as indicated in the BAHT Guidelines, noting which Priorities are explicitly met.
- ✓ Describe how the proposed project meets Beverly's housing needs identified in the City's Community Housing Plan, 2017 available here http://www.beverlyma.gov/boards-commissions/beverly- affordable-housing-trust-fund/

N/A (Provide an explanation why this attachment is not available)

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4. Community Support

✓ Letters of support/describe any efforts made to communicate with neighbors and abutters (unless resident clients are a protected class or require confidentiality).

N/A (Provide an explanation why this attachment is not available).

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5. Evidence of Site Control/Value

✓ *Purchase and sale agreement, option, or deed.

✓ *Requests involving acquisition: Provide appraisal by an independent, certified real estate appraiser.

N/A (Provide an explanation why these attachments are not available).

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6. Site Plans & Zoning/Permitting

✓ *Map and photos of the project site and neighborhood.

✓ *Describe applicable environmental requirements including evidence that the property is free of hazardous materials or the status of a remediation plan and any pertinent natural resource data.

✓ *For new construction or redevelopment projects: preliminary site plans, schematics, floor plans, elevations, and renderings, as available.

✓ *Identify any zoning/permitting relief required and proposed schedule for zoning/permitting review if applicable to project. Identify proposed sustainable or energy efficient components of the project, if any.

N/A (Provide an explanation why these attachments are not available).

Equal Housing Opportunity

EXHIBIT 1: Financial

- OneStop development proforma, including operations for the first ten years
- Owner (YMCA) will pay all utilities, including heat, electricity, hot water. Tenants will be responsible for rent, internet/cable TV and phone. There will be no off-street parking or parking fee.
- Financing sources and status:

Source	Amount	Status
Beverly AHT	$250,000	
Beverly CPC	$200,000	Awarded, see attached City Council approval
Beverly HOME	$20,613	Requested July 2018
Bank Loan – Beverly Bank	$1,500,000	See attached LOI. Term sheet pending.
FHLB Grant	$500,000	Application submitted July 2018, awards will be made December 2018
Sponsor Note	$1,055,489	Will be formally committed at closing
Existing soft debt: HOME (DHCD and North Shore), Bev CDBG, and HIF	$1,278,151	Will be requested to extend as part of refinancing
North Shore HOME Consortium	$150,000	Annual application period, anticipated fall 2018
Federal LIHTC	$5,543,743	OneStop pre-application expected Nov. 2018, full application Feb. 2019, with awards anticipated summer 2019.
State LIHTC	$3,749,625	
MA DHCD: HOME, FCF, HIF, HSF, CATNHP, AHTF	$5,300,850	

Commitment of local funds is essential in securing State funding. The total local funds at Cabot Housing will leverage more than 30 times their value, generating $18,927,857 in private debt and State/Federal funding.

Section 3
SOURCES AND USES OF FUNDS

Sources of Funds

Private Equity:

81 .	Developer's Cash Equity		$
82 .	Tax Credit Equity (net amount) *(See line 360, Section 5, page 18.)*		$9,293,368
83 .	Developer's Fee Overhead, Contributed or Loaned		
84 .	Other Source:	Sponsor note - acquisition value	$439,274
	Other Source:	Sponsor note - accrued interest	$616,215

see existing loan worksheet

Optional user calculations

State LIHTC	Price	Equity
1,000,000	0.75	3,749,625
Fed LIHTC		
609,263	0.91	
	99.99%	5,543,743

85 . **Public Equity:**

86 .	HOME Funds, as Grant		$
87 .	Grant:	FHLB	$500,000
88 .	Grant:		$
	Total Public Equity		$500,000

			Amount	Rate	Amortiz.	Term		
89 .	**Subordinate Debt (see definition):**							
	Home Funds-DHCD, as Subordinate Debt		$550,000	%	yrs.	yrs.	max 11 units	
90 .	Source:	DHCD HOME						
	Home Funds-Local, as Subordinate Debt		$150,000	%	yrs.	40		
91 .	Source:	North Shore HOME Consortium						
	Subordinate Debt		$1,278,151	%	yrs.	40		
	Source:	Existing soft debt						
	Subordinate Debt		$200,000	%	yrs.	40		
	Source:	Beverly CPC						
	Subordinate Debt		$250,000	%	yrs.	40		
	Source:	Beverly Housing Trust						
	Subordinate Debt		$20,613	%	yrs.	40		
	Source:	Beverly HOME						
	Subordinate Debt		$708,278	%	yrs.	40	5 units	$283,311 TDC
	Source:	FCF - DDS - Arc						
	Subordinate Debt		$1,000,000	%	yrs.	40		
92 .	Source:	HIF						
	Subordinate Debt		$1,000,000	%	yrs.	40		
	Source:	HSF						
	Subordinate Debt		$542,572	%	yrs.	40		
93 .	Source:	CATNHP						
	Subordinate Debt		$1,500,000	%	yrs.	40		
94 .	Source:	AHTF						
	Total Subordinate Debt		$7,199,614					

			Amount	Rate	Override	Amortiz.	Term	MIP
95 .	**Permanent Debt (Senior):**							
96 .	**MHFA**	Beverly Bank Conventional	$1,000,000	5.50%	%	30.00	30.00	%
97 .	**MHFA**	Beverly Bank Subsidized Advance	$500,000	3.00%	%	20.00	20.00	%
98 .	**MHP Fund Permanent Loan**		$	%		yrs.	yrs.	%
	Other Permanent Senior Mortgage		$	%		yrs.	yrs.	%
99 .	Source:							
	Other Permanent Senior Mortgage		$	%		yrs.	yrs.	%
	Source:							
100 .								
	Total Permanent Senior Debt		$1,500,000					
101 .								
	Total Permanent Sources		$19,548,470					

$0

			Amount	Rate	Term
102 .	**Construction Period Financing:**				
	Construction Loan		$10,000,000	5.00%	36.0
	Source:	Bond			
103 .	Repaid at:		*(event)*		
	Other Interim Loan		$0	4.00%	24.0
	Source:	Construction Loan			
104 .	Repaid at:		*(event)*		
	Syndication Bridge Loan		$0	%	mos.
	Source:				
	Repaid at:		*(event)*		

Uses of Funds

105 . **Direct Construction:** *The Contractor certifies that, to the best of their knowledge, the construction estimates, and trade-item breakdown on this page are complete and accurate.*

Who prepared the estimates? Windover Construction (Name) | Tyler Virden (Signature)

106 . Basis for estimates? 50% CDs

	DV	Trade Item	Amount	Description
107 .				
108 .	3	Concrete	$499,000	
109 .	4	Masonry	$182,000	
110 .	5	Metals	$744,000	New structural steel and misc metals
111 .	6	Rough Carpentry	$328,000	
112 .	6	Finish Carpentry	$97,000	
113 .	7	Waterproofing	$24,000	
114 .	7	Insulation	$45,000	
115 .	7	Roofing	$201,000	
116 .	7	Sheet Metal and Flashing		
117 .	7	Exterior Siding	$222,000	
118 .	8	Doors	$277,000	
119 .	8	Windows	$299,000	
120 .	8	Glass		
121 .	9	Lath & Plaster		
122 .	9	Drywall	$888,000	
123 .	9	Tile Work		
124 .	9	Acoustical	$21,000	
125 .	9	Wood Flooring		
126	9	Resilient Flooring	$321,000	Incl all flooring: LVP and tile at bathrooms
127 .	9	Carpet		
128 .	9	Paint & Decorating	$150,000	
129 .	10	Specialties	$74,000	
130 .	11	Special Equipment	$144,000	
131 .	11	Cabinets	$148,000	
132 .	11	Appliances		
133 .	12	Blinds & Shades	$21,000	
134 .	13	Modular/Manufactured		
135 .	13	Special Construction		
136 .	14	Elevators or Conveying Syst.	$175,000	
137 .	15	Plumbing & Hot Water	$1,142,000	
138 .	15	Heat & Ventilation	$943,000	
139	15	Air Conditioning		
140 .	15	Fire Protection	$105,000	
141 .	16	Electrical	$665,000	
142 .		Other: Winter conditions	$25,000	Winter conditions allowance
		Other: phasing allowance	$412,000	5 phases, occ
		Other: GC contingency	$387,000	5%
### .		**Subtotal Structural**	$8,539,000	
### .	2	Earth Work	$149,000	Incl. utilities, sidewalks, etc
### .	2	Site Utilities		
### .	2	Roads & Walks		
### .	2	Site Improvement		
###	2	Lawns & Planting		
###	2	Geotechnical Conditions		
###	2	Environmental Remediation		
### .	2	Demolition	$368,000	
### .	2	Unusual Site Cond		
### .		**Subtotal Site Work**	$517,000	
### .		**Total Improvements**	$9,056,000	
### .	1	General Conditions	$923,712	10.2%
### .		**Subtotal**	$9,979,712	
### .	1	Builders Overhead	$208,288	2.3% Incl liability insurance
### .	1	Builders Profit	$316,960	3.5%
		TOTAL	$10,504,960	
###				

Total Cost/square foot: $364.82 Residential Cost/s.f.: $364.82 Does not include basement sf

Development Budget:

		Total	Residential	Commercial	Comments
### .	Acquisition: Land	$0			
### .	Acquisition: Building	$3,070,000	$3,070,000		Per appraisal
	Acquisition Subtotal	$3,070,000	$3,070,000	$0	
### .					
### .	Direct Construction Budg	$10,504,960	$10,504,960		(from line 159)
### .	Construction Contingency	$1,050,496	$1,050,496		10.0% of construction
	Subtotal: Construction	$11,555,456	$11,555,456	$0	
### .	**General Development Costs:**				
### .	Architecture & Engineering	$630,298	$630,298		6% A+E
### .	Survey and Permits	$172,574	$172,574		$15K survey + permits @ $15/$1,000
### .	Clerk of the Works	$75,000	$75,000		Allowance - 18 months construction
### .	Environmental Engineer	$5,000	$5,000		Allowance, assume no haz mats
### .	Bond Premium	$105,050	$105,050		1% construction cost
### .	Legal	$180,000	$180,000		Allowance
### .	Title and Recording	$40,000	$40,000		Allowance
### .	Accounting & Cost Cert.	$35,000	$35,000		Allowance
### .	Marketing and Rent Up	$50,000	$50,000		Allowance
### .	Real Estate Taxes	$28,800	$28,800		Existing taxes 18 months
### .	Insurance	$35,000	$35,000		Allowance - builder's risk + liability
### .	Relocation	$250,000	$250,000		Allowance
### .	Appraisal + Market study	$20,000	$20,000		Allowance
### .	Security	$0	$0		
### .	Construction Loan Interest	$500,000	$500,000		Calc 1/2 out for two years
### .	Inspecting Engineer	$34,900	$34,900		$1,800 x 18 months, $2,500 initial report
### .	Fees to: Const Loan	$50,000	$50,000		0.5% loan amount
### .	Fees to: LIHTC fee	$24,150	$24,150		set by DHCD
### .	MIP	$0	$0		
### .	Bond Fees	$103,500	$103,500		Bond app and issuance fee (1% bond amt) to Massdev
### .	Letter of Credit Fees	$0	$0		
### .	Other Financing Fees	$30,000	$30,000		Predevelopment loan fees and interest
### .	Development Consultant	$0	$0		
### .	Other: Utilities	$10,000	$10,000		$10K allowance for backcharges
### .	Other: FFE	$170,000	$170,000		includes furnished units
### .	Soft Cost Contingency	$127,464	$127,464		5.0% of soft costs
	Subtotal: Gen. Dev.	$2,676,735	$2,676,735	$0	
### .					
	Subtotal: Acquis., Const and Gen. Dev.	$17,302,191	$17,302,191	$0	
### .					
### .	Capitalized Reserves	$546,310	$546,310		Lease up, RR, OR
### .	Developer Overhead	$849,985	$849,985		
	Developer Fee	$849,985	$849,985		
### .					
	Total Development Cost	$19,548,470	$19,548,470	$0	**TDC per unit** $283,311
### .					
	TDC, Net	$19,002,160	$19,002,160	$0	**TDC, Net per unit** $275,394
		$0			

Additional Detail on Development Pro-Forma:

### .	Gross Syndication Investment		
	Off-Budget Costs:		
### .	**Syndication Costs:**		
### .	Syndication Legal		
### .	Syndication Fees		
### .	Syndication Consultants		
### .	Bridge Financing Costs		
### .	Investor Servicing (capitalized)		
### .	Other Syndication Expenses		
### .	Total Syndication Expense	$0	
	Current Reserve Balance		
### .	**Reserves (capitalized):**		
### .	Development Reserves		
### .	Initial Rent-Up Reserves	$100,000	
### .	Operating Reserves	$239,310	6 months op ex
### .	Net Worth Account		
### .	Other Capitalized Reserves	$207,000	Replacement reserve @ $3K/unit
	Subtotal: Capitalized Reserves	$546,310	
### .	Letter of Credit Requirements		
### .	Total of the Above	$546,310	

Check: Line 214 is the same as line 195.

Please Answer The Following

Who requires the reserves?	Dev. Reserves	Initial Rent-Up	*Op. Reserves*	Net Worth	*Other*	Letter of Credit
Who administers the reserves?						
When and how are they used?						

### .	**Unit Sales (For Sale Projects Only):**	
### .	Gross Sales From Units	$
### .	Cost of Sales (Commissions, etc.)	$
	Net Receipt from Sales	$0
### .	**Debt Service Requirements:**	
	Minimum Debt Service Coverage	
### .	Is this Project subject to HUD Subsidy Layering Review?	No

Optional user comments

21-Year Operating Proforma (Years 1-5)

NOTE: Do not fill out this section. It is automatically filled in by program.

		Year 1	*Year 2*	*Year 3*	*Year 4*	*Year 5*
Calendar Year:		*N/A*	*N/A*	*N/A*	*N/A*	*N/A*
INCOME:						
Low-Income, Rental Assisted		$302,585	$307,124	$311,730	$316,406	$321,152
Low-Income, Below 50%		313,872	318,580	323,359	328,209	333,132
Low-Income, Below 60%		89,100	90,437	91,793	93,170	94,567
Other Income (User-defined)		0	0	0	0	0
Market Rate		0	0	0	0	0
Gross Potential Income		705,557	716,140	726,882	737,785	748,852
Less vacancy		35,278	35,807	36,344	36,889	37,443
Effective Gross Residential Income		670,279	680,333	690,538	700,896	711,410
Commercial (includes parking)		0	0	0	0	0
Less vacancy		0	0	0	0	0
Net Commercial Income		0	0	0	0	0
Effective Rental Income		670,279	680,333	690,538	700,896	711,410
Other Income: Laundry		0	0	0	0	0
Other Income:	0	0	0	0	0	0
Other Income:	0	0	0	0	0	0
Other Income:	0	0	0	0	0	0
Other Income:	0	0	0	0	0	0
Other Income:	0	0	0	0	0	0
Other Income:	0	0	0	0	0	0
Total Gross Income		670,279	680,333	690,538	700,896	711,410
Operating Subsidies		0	0	0	0	0
Draw on Operating Reserves		0	0	0	0	0
Total Effective Income		$670,279	$680,333	$690,538	$700,896	$711,410
EXPENSES:						
Management Fee		53,622	54,427	55,243	56,072	56,913
Administrative		102,900	105,987	109,167	112,442	115,815
Maintenance		121,000	124,630	128,369	132,220	136,187
Resident Services		65,000	66,950	68,959	71,027	73,158
Security		2,000	2,060	2,122	2,185	2,251
Electrical		50,000	51,500	53,045	54,636	56,275
Natural Gas		5,000	5,150	5,305	5,464	5,628
Oil (heat)		0	0	0	0	0
Water & Sewer		9,177	9,452	9,736	10,028	10,329
Replacement Reserve		20,700	21,321	21,961	22,619	23,298
Operating Reserve		0	0	0	0	0
Real Estate Taxes		26,220	27,007	27,817	28,651	29,511
Other Taxes		0	0	0	0	0
Insurance		23,000	23,690	24,401	25,133	25,887
MIP		0	0	0	0	0
Other:		0	0	0	0	0
Total Operating Expenses		$478,619	$492,174	$506,122	$520,477	$535,251
NET OPERATING INCOME		$191,660	$188,160	$184,416	$180,419	$176,159
Debt Service		$101,411	$101,411	$101,411	$101,411	$101,411
Debt Service Coverage		1.89	1.86	1.82	1.78	1.74
Project Cash Flow		$90,249	$86,749	$83,005	$79,008	$74,748
Required Debt Coverage		$0	$0	$0	$0	$0
(Gap)/Surplus for Cov.		$191,660	$188,160	$184,416	$180,419	$176,159

21-Year Operating Proforma (Years 6-10)

NOTE: Do not fill out this section. It is automatically filled in by program.

	Year 6	*Year 7*	*Year 8*	*Year 9*	*Year 10*
Calendar Year:	*N/A*	*N/A*	*N/A*	*N/A*	*N/*
INCOME:					
Low-Income, Rental Assisted	$325,970	$330,859	$335,822	$340,860	$345,972
Low-Income, Below 50%	338,129	343,201	348,349	353,574	358,878
Low-Income, Below 60%	95,986	97,426	98,887	100,370	101,876
Other Income (User-defined)	0	0	0	0	0
Market Rate	0	0	0	0	0
Gross Potential Income	760,085	771,486	783,059	794,805	806,727
Less vacancy	38,004	38,574	39,153	39,740	40,336
Effective Gross Residential Income	722,081	732,912	743,906	755,064	766,390
Commercial Income	0	0	0	0	0
Less vacancy	0	0	0	0	0
Net Commercial Income	0	0	0	0	0
Effective Rental Income	722,081	732,912	743,906	755,064	766,390
Laundry Income	0	0	0	0	0
Other Income:	0	0	0	0	0
Other Income:	0	0	0	0	0
Other Income:	0	0	0	0	0
Other Income:	0	0	0	0	0
Other Income:	0	0	0	0	0
Other Income:	0	0	0	0	0
Total Gross Income	722,081	732,912	743,906	755,064	766,390
Operating Subsidies	0	0	0	0	0
Draw on Operating Reserves	0	0	0	0	0
Total Effective Income	$722,081	$732,912	$743,906	$755,064	$766,390
EXPENSES:					
Management Fee	57,766	58,633	59,512	60,405	61,
Administrative	119,289	122,868	126,554	130,351	134,
Maintenance	140,272	144,480	148,815	153,279	157,878
Resident Services	75,353	77,613	79,942	82,340	84,810
Security	2,319	2,388	2,460	2,534	2,610
Electrical	57,964	59,703	61,494	63,339	65,239
Natural Gas	5,796	5,970	6,149	6,334	6,524
Oil (heat)	0	0	0	0	0
Water & Sewer	10,639	10,958	11,287	11,625	11,974
Replacement Reserve	23,997	24,717	25,458	26,222	27,009
Operating Reserve	0	0	0	0	0
Real Estate Taxes	30,396	31,308	32,247	33,215	34,211
Other Taxes	0	0	0	0	0
Insurance	26,663	27,463	28,287	29,136	30,010
MIP	0	0	0	0	0
Other:	0	0	0	0	0
Total Operating Expenses	$550,454	$566,102	$582,205	$598,779	$615,836
NET OPERATING INCOME	$171,626	$166,810	$161,701	$156,286	$150,554
Debt Service	$101,411	$101,411	$101,411	$101,411	$101,411
Debt Service Coverage	1.69	1.64	1.59	1.54	1.48
Project Cash Flow	$70,216	$65,400	$60,290	$54,875	$49,144
Required Debt Coverage	$0	$0	$0	$0	$0
(Gap)/Surplus for Cov.	$171,626	$166,810	$161,701	$156,286	$150,554

CITY of BEVERLY
COMMUNITY PRESERVATION COMMITTEE

191 Cabot Street
Beverly, Massachusetts 01915
Phone (978) 921-6000
Fax (978) 921-6187

Mayor
Michael P. Cahill

Chairperson
Wendy Pearl

Members
Robert Buchsbaum
Thomas Bussone, II
Christy Edwards
John Hall
Nancy Marino
James Matz
Marilyn McCrory
Heather Richter

Paul Guanci, President
Beverly City Council
City Hall, 191 Cabot Street
Beverly, MA 01915

April 26, 2018

RE: Community Preservation Committee
(5th) Fifth Round CPA Project Funding Recommendations

Dear President Guanci and Members of the City Council,

The Community Preservation Committee (CPC) has received, reviewed and herein makes funding recommendations for the fifth round of project applications for Community Preservation Act funding. The CPC has worked to perform its due diligence in evaluating this fifth round of applications and is pleased to submit the enclosed recommendations.

The fifth round drew a total of six applications (4 in the historic category and 2 in the community housing category) for a total request of $1,291,371 from CPA funds.

The CPC is pleased to submit the enclosed recommendations, representing all 6 projects for $1,291,371 of CPA funding. The total aggregate cost of all 6 projects is approximately $19,861,347, which the CPC finds exciting that so many other sources of funding have been leveraged for these worthy projects. No open space project applications were received and therefore the FY18 10% set aside of approximately $85,700 will remain in this category account.

All recommended projects are subject to the terms and conditions imposed by the Community Preservation Committee, as noted below and through anticipated Grant Agreements (GA) or Memorandums of Understanding (MOU). The following GA/MOU conditions are common to all recommended projects:

1. Projects financed with Community Preservation Act funds must comply with all applicable State and municipal requirements. CPA funds are administered and disbursed by the City of Beverly.
2. Project oversight, monitoring, and CPA fund control will be carried out as required in project Memorandums of Understanding/Grant Agreements.

3. The CPC will require project status updates from recipients and back up invoices for any CPA fund disbursement requests.
4. All projects will be required to credit CPA funding in their promotional material and, where appropriate, on exterior signage.

Applications for all projects are available for review in the Planning Department office and electronically upon request. Should you have any questions or need additional information, please do not hesitate to contact the Committee through its staff, Amy Maxner in the Planning Department.

As you are aware, pursuant to Massachusetts General Law, a public hearing must be scheduled prior to any City Council vote is taken on the attached order.

Respectfully Submitted by: Community Preservation Committee

Chair Wendy Pearl, Historic District Commission Representative
Vice-Chair Marilyn McCrory, Open Space & Recreation Committee Representative
Robert Buchsbaum, Conservation Commission Representative
Thomas Bussone, II, Housing Authority Representative
James Matz, Planning Board Representative
Nancy Marino, Parks & Recreation Commission Representative
Christy Edwards, At-Large Representative
John Hall, At-Large Representative
Heather Richter, At-Large Representative

Attachments

cc: Michael Cahill, Mayor
Bryant Ayles, Finance Director
Stephanie Williams, City Solicitor
Aaron Clausen, Planning Director
File

Summary Chart
Beverly Community Preservation Committee Recommendations
For CPA Funding Round #5, FY2018

CPC Project #	APPLICANT	PROJECT DESCRIPTION	CPA CATEGORY	RECOMMENDED AMOUNT
R5-1	City of Beverly Clerk's Office	Perform conservation/preservation of historic municipal records	Historic	$59,119.00
R5-2	Planning Department/Ward 2 Civic Association on behalf of the City of Beverly	GAR Hall Phase IIa, side façade restoration	Historic	$295,952.00
R5-3	Beverly Golf & Tennis Commission	Perform complete architectural and systems assessment & analysis of the Clubhouse	Historic	$400,000.00
R5-4	Historic Beverly	Hale Farm Landscape Restoration Phase 2	Historic	$146,300.00
R5-5	Harborlight Community Partners	Create 6 new 2-bedroom affordable units	Community Housing	$190,000.00
R5-6	Cabot Housing, LLC	Create 24 new units of affordable housing	Community Housing	$200,000.00
	Total Recommended for Fifth Round FY18			$1,291,371.00

Project Descriptions & Summaries for Each Recommendation

CPC PROJECT NO. R5-1
Project Title: Beverly City Hall Historic Records Conservation Project
Applicant: City of Beverly Clerk's Office

The Community Preservation Committee recommends the appropriation of $59,119.00 from the Historic Reserve Account to the City of Beverly Clerk's Office for the purpose of preserving a historic asset by de-acidification and conservation of historical at-risk municipal documents. The Community Preservation Act spending purpose is to preserve and protect historic resources from injury, harm or destruction.

CPC PROJECT NO. R5-2
Project Title: GAR Hall Side Façade Restoration (Phase IIa)
Applicant: Beverly Planning Department/Ward 2 Civic Association on behalf of the City of Beverly

The Community Preservation Committee recommends the appropriation of $295,952.00 from the General Reserve Account to the City of Beverly/Ward 2 Civic Association to perform Phase IIa of side façade and other building restorations to the GAR Hall, 8 Dane Street. The Community Preservation Act spending purpose is to restore/preserve historic assets in the City and protect from injury, harm or destruction. The CPC made this funding contingent upon the City either placing a Historic Preservation Restriction on the building or establishing a local Historic District to encompass the building.

CPC PROJECT NO. R5-3
Project Title: Preservation of the Beverly Golf & Tennis Clubhouse
Applicant: Beverly Golf & Tennis Commission

The Community Preservation Committee recommends the appropriation of $400,000.00 from the General Reserve Account, to the Beverly Golf & Tennis Commission to perform a complete architectural and systems analysis and preparation of specification plans to guide future historic preservation of the Clubhouse, 134 McKay Street. The Community Preservation Act spending purpose is to preserve and protect historic resources from injury, harm or destruction.

CPC PROJECT NO. R5-4
Project Title: Hale Landscape Restoration Phase 2
Applicant: Historic Beverly

The Community Preservation Committee recommends the appropriation of $146,300.00 from the Historic and General Reserve Accounts to Historic Beverly for the purpose of performing Phase 2 of historic landscape restoration at Hale Farm, 39 Hale Street. The Community Preservation Act spending purpose is to make capital improvements to rehabilitate and restore an historic asset to make it functional for its intended use.

CPC PROJECT NO. R5-5
Project Title: 2 Hardy Street Housing
Applicant: Harborlight Community Partners, Inc.

The Community Preservation Committee recommends the appropriation of $190,000.00 from the Housing Reserve Account to Harborlight Community Partners, Inc. for the purpose of constructing six new affordable housing units located at 2 Hardy Street. The Community Preservation Act spending purpose is for the creation of affordable housing.

CPC PROJECT NO. R5-6
Project Title: Cabot Housing
Applicant: Cabot Housing, LLC

The Community Preservation Committee recommends the appropriation of $200,000.00 from the Housing Reserve and General Reserve Accounts to Cabot Housing, LLC for the purpose of constructing 24 new units of affordable housing located at 245 Cabot Street. The Community Preservation Act spending purpose is for the creation of affordable housing.

Re: City Council Votes

Community Preservation Committee 5th Round CPA Project Funding Recommendations
Submitted to the City Council April 26, 2018

- To appropriate $59,119.00 to the City of Beverly Clerk's Office for the purpose of preserving a historic asset by de-acidification and conservation of at-risk municipal documents. The Community Preservation Act spending purpose is to preserve and protect historic resources from injury, harm or destruction. Said appropriation of shall consist of $59,119 from the Community Preservation Historic Preservation Reserve fund.

- To appropriate $295,952.00 to the City of Beverly/Ward 2 Civic Association for the purposes of performing Phase IIa of side façade and other building restorations to the GAR Hall, 8 Dane Street. The Community Preservation Act spending purpose is to preserve and protect historic resources from injury, harm or destruction. Said appropriation shall consist of $295,952.00 from the Community Preservation General Reserve fund balance. (**Note: The CPC made this funding contingent upon the City either placing a Historic Preservation Restriction on the building or establishing a local Historic District to encompass the building.)

- To appropriate $400,000.00 to the Beverly Golf & Tennis Commission to perform a complete architectural and systems analysis and preparation of specification plans to guide future historic preservation of the Clubhouse located at 134 McKay Street. The Community Preservation Act spending purpose is to preserve and protect historic resources from injury, harm or destruction. Said appropriation shall consist of $400,000.00 from the Community Preservation General Reserve fund balance.

- To appropriate $146,300.00 to Historic Beverly for the purpose of performing Phase 2 of historic landscape restoration at Hale Farm, 39 Hale Street. The Community Preservation Act spending purpose is to make capital improvements to rehabilitate and restore an historic asset to make it functional for its intended use. Said appropriation shall consist of $38,000.00 from the Community Preservation Historic Preservation Reserve fund and $108,300.00 from the Community Preservation General Reserve fund balance.

- To appropriate $190,000.00 to Harborlight Community Partners, Inc. for the purpose of constructing six new affordable housing units located at 2 Hardy Street. The Community Preservation Act spending purpose is for the creation of affordable housing. Said appropriation shall consist of $190,000.00 from the Community Housing Reserve fund.

- To appropriate $200,000.00 to Cabot Housing, LLC for the purpose of constructing 24 new affordable housing units located at 245 Cabot Street. The Community Preservation Act spending purpose is for the creation of affordable housing. Said appropriation shall consist of $174,000.00 from the Community Housing Reserve fund and $26,000.00 from the Community Preservation General Reserve fund balance.

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Regular Meeting - Beverly City Council, Beverly, M
MINUTES - Monday, 4 June 2018 @ 7:00 PM
Beverly City Hall, 191 Cabot Street, 3rd Floor Coun
Called to Order @ 7:05 PM

Roll Call: Timothy P. Flaherty, Julie R. Flowers, John P. F
Scott D. Houseman, David J. Lang (absent), James F. Latter,
M. Rand, Paul M. Guanci-President

Pledge of Allegiance to the Flag: Councilor Martin, De

Moment of Silence: None

Presentations, Awards and Memorials:

1. **LATE FILE - #132** – Public Art – Councilor Houseman, Dr

Resolutions: None

Comments by Citizens (subject to the conditions c
A to the "Rules and Orders"): Anyone who would li
Meeting has until 9:30AM on the day of the Meeting
City Clerk. (Limit of 3 @ 5 minutes each): None

Public Hearings:

1 **#114 - 7:30 PM** – Petition – National Grid – Plan #25

Public Hearing held & closed – Referred back to Public Se

Acceptance of Minutes of Previous Meetings:

1. Monday, 21 May 2018 - Regular Meeting
2. Tuesday, 29 May 2018 – Special Meeting

Vote to Approve: 8-0

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Reports of Committees:

#058A

The Committee on Finance & Property to whom was referred the matter of Cc
Authorization – Parking Equipment, have considered said matter and beg lea

Submit the accompanying Order and recommend its adoption:

ORDERED: That the City Council of the City of Deverly hold a Public Hea
@ 7:35 PM at City Hall, 191 Cabot Street, 3rd Floor, Council Chambe
Mayor's request that the City appropriates the sum of One Million Tw
($1,200,000) to pay costs of purchasing parking meter kiosks and related
including the payment of all other costs incidental and related thereto, and
Treasurer, with the approval of the Mayor, is authorized to borrow said su
any other enabling authority and that the Mayor is authorized to take any c
out this project. Any premium received by the City upon the sale of any bc
order, less any such premium applied to the payment of the costs of issu
may be applied to the payment of costs approved by this order in accorc
thereby reducing the amount authorized to be borrowed to pay such costs t

Order read once and adopted – Vote: 8-0

#093

The Committee on Finance & Property to whom was referred the matter of Cc
Preservation Committee 5th Round CPA Project Funding Recommendations, t
and beg leave to report as follows, to wit:

Submit the accompanying Order and recommend its adoption:

City Council Votes
Community Preservation Committee 5th Round CPA Project Funding Recomm
Council April 26, 2018

1.	$59,119 – City Clerk's Office	**Approved: Vote 8**
2.	$295,952 – Ward 2 Civic Association	**Approved: Vote 8**
3.	$400,000 – Golf & Tennis Commission	**Approved: Vote 8**
4.	$146,300 – Historic Beverly	**Approved: Vote 8**
5.	$190,000 – Harborlight Community Partners recused)	**Approved: Vote 7**
6.	$200,000 – Cabot Housing, LLC recused)	**Approved: Vote 7**

Order read once and adopted – Vote shown above for each

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BEVERLY BANK
YOUR COMMUNITY BANK

July 5, 2018

Mr. Kevin McCarthy
Chief Financial Officer
YMCA of the North Shore
245 Cabot Street
Beverly, MA 01915

Dear Mr. McCarthy,

I am writing to express Beverly Bank's strong interest in providing financing for the re-development of the "Cabot House" development being implemented by the YMCA of the North Shore (NSY). We are interested in providing a first position conventional loan and working with FHLB to provide a second position subsidized advance loan.

Beverly Bank would be proud to work with the NSY Harborlight to improve, expand, and preserve this important affordable housing property.

I have attached to this letter the broad terms and conditions under which we would offer financing. We reserve the right to engage in further due diligence and to reflect any significant market rate changes in the final package. I believe that it correctly reflects your request, however if there are any other questions please feel free to call me on my direct line (978)-922-0857 x 144.

Sincerely,

Matthew LaFlamme
Vice President
Beverly Bank

Lender:	Beverly Bank
Borrower:	A single-asset SPE controlled by YMCA of the North Shore.
Amount Loans:	A) Conventional $1,000,000 B) Subsidized $500,000
Collateral:	First and Second Position on Cabot House LLC Condominium; all other debt is subordinate to Beverly Bank debt
Project:	Acquisition and improvement of Property located at 245 Cabot St, Beverly MA
Appraisal:	The Bank will commission an appraisal prepared for the lender.
Maximum Loan-to-Value:	First and second mortgages must not exceed 50% of appraised value
Minimum DSCR:	Covenant DSCR of 1.15x
Term:	A) 30 years B) 20 years
Amortization:	A) 30 years. No prepayment penalty and acceleration of payments are permitted. B) 20 years. No prepayment penalty and acceleration of payments are permitted.

Rate:	A) Conventional: Fixed at 5.50% for 15 years with a rate reset ever 5 years thereafter (Years 16, 21 and 26) as determined by the Federal Home Loan Bank of Boston 15 year classic rate plus 2.25%. As of 6/12/18 that total would be 6.24%. There will be an interest rate floor of 3.50% and a cap of 7.50% throughout the 30 year term of the loan. B) Subsidized: Fixed at 3.00% for the 20 year term of the loan
Commitment Fee:	None
Third Party Expenses:	Appraisal, environmental review and Legal
Reserve requirements:	TBD subject to further diligence
Guarantor:	None

EXHIBIT 2: Qualifications

The YMCA has substantial and long-term experience in managing their portfolio of affordable housing in the region. Affordable housing continues to be one of the biggest challenges facing residents of the North Shore. To meet this need, the YMCA operates housing facilities in Beverly, Ipswich, Cape Ann and Haverhill, putting a roof over the heads of more than 500 children and adults. Families and individuals remain strong and viable by reducing the burden of high-rent housing. The residents' well-being is important to the YMCA works with their residents to help them be successful.

The project team has decades of experience with developing, designing, building, and operating community affordable housing. The team is as follows:

Current Owner: YNS Affordable Housing Inc.

Chris Lovasco, CEO YMCA of the North Shore
Kevin McCarthy, CFO YMCA of the North Shore

Sponsor, Property Manager and Leasing Agent: YMCA of the North Shore

Chris Lovasco, CEO, YMCA of the North Shore
Kevin McCarthy, CFO, YMCA of the North Shore
Kathy Churchill, Director of Housing, YMCA of the North Shore

Resident Services: TBD

Development Partner: Harborlight Community Partners, Inc.

The YMCA has entered into a Development Services Agreement with Harborlight Community Partners to act as developer (similar to a development consultant) for this project.

Andrew DeFranza, ED
Kristin Carlson, Senior Project Manager

Architect: Siemasko + Verbridge

John Harden, Principal

Contractor: TBD

- References:
  - Mike Wheeler, Beverly Bank, President : mwheeler@beverlybank.com
  - Rob LeGallo, Institution for Savings, CFO: rlegallo@institutionforsavings.com
  - Dina Vargo, MHIC, Portfolio Manager: vargo@mhic.com
- YMCA of the North Shore Mission Statement: Our Y welcomes all. We strengthen communities, educate and nurture children, and promote healthy living in spirit, mind and body.
- Photos of past projects attached
- YMCA of the North Shore audited financials, 2016 and 2017 attached

YMCA the North Shore Affordable Housing

Holcroft Park Homes
9, 23, 35 Mill St.
Beverly, MA 01915
29 Units

10, 22, 30 Grant St.
Beverly, MA 01915
29 Units

Powder House Village
108 & 112 County Rd.
Ipswich, MA 01938
48 Units

Cabot Street Homes
321 & 325 Cabot Street
Beverly, MA 01915
43 Units

www.northshoreymca.org

YNS AFFORDABLE HOUSING, INC. AND AFFILIATE

Independent Auditors' Report,
Consolidated Financial Statements and
Supplementary Information

December 31, 2017 and 2016

YNS Affordable Housing, Inc. and Affiliate

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DANIEL DENNIS & Co
Certified Public Accountants

Independent Auditors' Report

To the Board of Directors of
YNS Affordable Housing, Inc. and Affiliate

We have audited the accompanying consolidated financial statements of YNS Affordable Housing, Inc. (a nonprofit organization) and Affiliate (the Organization), which comprise the consolidated statements of financial position as of December 31, 2017 and 2016, and the consolidated related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

990 Washington St., Ste 308A, Dedham, Massachusetts 02026 Telephone (617) 262-9898 Fax (617) 437-9937

Opinion

In our opinion, based on our audits, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of YNS Affordable Housing, Inc. and Affiliate as of December 31, 2017 and 2016, and the consolidated changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The schedules on pages 20 through 27 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and is derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Daniel Dennis & Company LLP

April 20, 2018

YNS Affordable Housing, Inc. and Affiliate
Consolidated Statements of Financial Position
December 31, 2017 and 2016

Assets	*2017*	*2016*
Current Assets		
Cash and cash equivalents	$ 603,319	$ 552,026
Accounts receivable, net	13,972	29,309
Prepaid expenses	3,258	3,239
Due from affiliate	14,671	11,019
Total current assets	635,220	595,593
Reserves and Deposits		
Tenant security deposits	67,520	61,683
Operating reserve	305,962	302,610
Reserve for replacements	232,331	282,421
Tax and insurance escrow	48,893	22,300
Asset management fee escrow	108,381	108,381
Total reserves and deposits	763,087	777,395
Fixed Assets		
Land	1,194,705	1,194,705
Land improvements	735,429	727,245
Buildings	12,510,210	12,510,210
Furniture and fixtures	1,686,904	1,684,386
Total fixed assets	16,127,248	16,116,546
Less: accumulated depreciation	(4,675,926)	(4,178,402)
Net fixed assets	11,451,322	11,938,144
Other Assets		
Tax credit fees, net	35,534	39,612
Total other assets	35,534	39,612
Total assets	$ 12,885,163	$ 13,350,744

See accompanying notes to consolidated financial statements.

YNS Affordable Housing, Inc. and Affiliate
Consolidated Statements of Financial Position - *Continued*
December 31, 2017 and 2016

Liabilities and Unrestricted Net Assets	*2017*	*2016*
Current Liabilities		
Accounts payable and accrued expenses	$ 71,294	$ 60,865
Due to affiliates	203,138	183,438
Prepaid rent	199	1,822
Accrued interest	10,800	10,800
Deferred revenue	202,451	202,450
Mortgage and notes payable - current portion	53,435	741,948
Total current liabilities	541,317	1,201,323
Other Liabilities		
Tenant security deposits	65,326	60,307
Long-Term Liabilities		
Mortgage notes payable, net of unamortized debt issuance costs	2,254,613	1,987,816
Notes payable	5,268,411	4,974,419
Development fee payable	59,291	59,291
Deferred revenue	6,579,632	6,782,082
Accrued interest	3,756,919	3,575,412
Total long-term liabilities	17,918,866	17,379,020
Total liabilities	18,525,509	18,640,650
Unrestricted Net Assets	(5,640,346)	(5,289,906)
Total liabilities and unrestricted net assets	$ 12,885,163	$ 13,350,744

See accompanying notes to consolidated financial statements.

YNS Affordable Housing, Inc. and Affiliate
Consolidated Statements of Activities
For the Years Ended December 31, 2017 and 2016

Unrestricted Net Assets	*2017*	*2016*
Income		
Gross potential tenant rent	1,150,826	1,146,461
Less - vacancy loss	(60,294)	(52,389)
Net rental income	1,090,532	1,094,072
Grant income	202,450	202,450
Miscellaneous	21,182	13,617
Total income	1,314,164	1,310,139
Operating Expenses		
Rental activities	1,568,443	1,660,881
General and administrative	173,009	183,721
Total operating expenses	1,741,452	1,844,602
Loss before non-operating items	(427,288)	(534,463)
Non-Operating Items		
Forgiveness of debt	76,848	35,222
Total non-operating items	76,848	35,222
Change in net assets	(350,440)	(499,241)
Net assets, beginning of year	(5,289,906)	(4,790,665)
Net assets, end of year	$ (5,640,346)	$ (5,289,906)

See accompanying notes to consolidated financial statements.

YNS Affordable Housing, Inc. and Affiliate
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2017 and 2016

	2017	2016
Cash Flows from Operating Activities		
Change in net assets	$ (350,440)	$ (499,241)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	501,602	731,643
Forgiveness of debt	(76,848)	(35,222)
Interest expense on debt issuance costs	4,145	3,895
Decrease/(increase) in accounts receivable	15,337	(8,062)
Increase in prepaid expenses	(19)	(804)
Increase in security deposits	(818)	(43)
(Increase)/decrease in due from affiliate	(3,652)	1,410
Increase/(decrease) in due to affiliate	19,700	(55,642)
Increase in accrued interest	181,507	167,737
Increase in accounts payable and accrued expenses	10,429	4,929
Decrease in deferred revenue	(202,449)	(202,450)
(Decrease)/increase in prepaid rent	(1,623)	1,014
Net cash provided by operating activities	96,871	109,164
Cash Flows from Investing Activities		
Operating reserve interest	(3,352)	(1,901)
Reserve for replacement deposits, interest and withdrawals, net	50,090	743
Escrow deposits, interest and withdrawals, net	(26,593)	(7,556)
Purchase of fixed assets	(10,702)	(10,291)
Net cash provided by/(used in) investing activities	9,443	(19,005)
Cash Flows from Financing Activities		
Payments on accrued interest	-	(60,000)
Payments from mortgage and notes payables	(55,021)	(45,609)
Net cash used in financing activities	(55,021)	(105,609)
Net increase/(decrease) in cash and cash equivalents	51,293	(15,450)
Cash and cash equivalents, beginning of year	552,026	567,476
Cash and cash equivalents, end of year	$ 603,319	$ 552,026
Supplemental Cash Flow Information		
Interest paid	$ 132,241	$ 201,098

See accompanying notes to consolidated financial statements.

1. *Nature of Operations and Summary of Significant Accounting Policies*

Nature of Operations and Basis of Consolidation
The consolidated financial statements include the accounts and transactions of YNS Affordable Housing, Inc. (YNS) and Powder House Village Limited Partnership (PHV) (collectively, the "Organization"). All significant intercompany account balances and transactions have been eliminated in these consolidated financial statements.

- YNS (a 501(c)(2) organization) was formed in 2010 for the purpose of owning, operating and managing housing for low-income individuals.
- PHV was formed in 2009 to acquire, rehabilitate and operate 48 units of housing for occupancy by low-income individuals and families. On December 31, 2013, the investor limited partner assigned 99.98% of their interest in PHV to YNS and accordingly, the assets, liabilities and net assets are included in the consolidated financial statements of YNS.

Accounting Method
The Organization uses the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

Financial Statement Presentation
The Organization's consolidated financial statement presentation follows the recommendations of the accounting principles generally accepted in the United States of America ("GAAP"). Under GAAP, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Organization does not have any temporarily restricted or permanently restricted net assets at December 31, 2017 and 2016.

Unrestricted net assets represent the portion of net assets of the Organization that is neither permanently restricted nor temporarily restricted by donor-imposed stipulations. Unrestricted net assets include expendable funds available for the support of the Organization, as well as funds invested in plant, including buildings and equipment.

Reclassification
Certain 2016 amounts have been reclassified to conform with the 2017 financial statement presentation.

Debt Issuance Costs
Debt issuance costs, net of accumulated amortization, are reported as a direct reduction of the obligation to which such costs related. Amortization of debt issuance costs is reported as a component of interest expense and is computed using the effective interest method.

1. Nature of Operations and Summary of Significant Accounting Policies - continued

Depreciation and Amortization
Building, land, improvements and furniture and fixtures are being depreciated using the straight-line method over the estimated useful life. The Organization capitalizes all fixed assets greater than $1,000. Depreciation expense for the year ended December 31, 2017 and 2016 was $497,524 and $727,565, respectively.

Tax credit fees of $61,163 are amortized on a straight line basis over 15 years. Amortization expense for both the years ended December 31, 2017 and 2016 was $4,078 and is expected to be $4,078 for the next 5 years.

Long lived assets, such as buildings are reviewed on an ongoing basis for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the asset to the future net undiscounted cash flow expected to be generated by the asset including any estimated proceeds from the eventual disposition of the asset. If the asset is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the asset exceeds its fair value. As of December 31, 2017 and 2016 management has determined that no assets were impaired.

Accounting for Planned Major Maintenance Activities
Routine maintenance costs are expensed in the year actual costs are incurred. In certain instances, major upgrades and overhauls may be required for certain components of the Organization's assets. In these instances, the costs associated with these upgrades are capitalized and are depreciated over the shorter of the life of the asset or until the next required major upgrade or overhaul period.

Functional Expenses
The costs of providing program services and administration have been summarized on a functional basis. Accordingly, certain costs have been allocated based on direct charges. Expenses relating to more than one function are charged to the programs and supporting services benefited.

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

1. *Nature of Operations and Summary of Significant Accounting Policies - continued*

Tenant Accounts Receivable
Accounts receivable from tenants are carried at an amount equal to uncollected but earned revenue less an allowance for doubtful accounts. On a periodic basis, the Organization evaluates its accounts receivable and establishes an allowance for doubtful accounts, based on a history of past write-offs and collections and current credit conditions. As of December 31, 2017 and 2016, the balance in allowance for doubtful accounts was $1,060 and $9,417, respectively.

Rental Income
Rental income is recognized as rentals become due. Rental payments received in advance are deferred until earned. All leases between the Organization and the tenants of the properties are operating leases.

Cash and Cash Equivalents
For purposes of the statement of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. At December 31, 2017 and 2016, there was $246,007 and $244,122, respectively, in cash equivalents.

Security Deposits
Security deposits are collected and maintained in an interest bearing account. At December 31, 2017 and 2016, the liability for security deposits collected was $65,326 and $60,307, respectively.

Income Tax Matters
YNS is exempt from income taxes as a non-profit organization under Section 501(c)(2) of the U.S. Internal Revenue Code and is also exempt from state income taxes, except for income taxes on unrelated business income, if any. At December 31, 2017 and 2016, YNS had no unrelated business income subject to income taxes. Accordingly, no provision for income taxes has been included in these financial statements.

As a limited partnership, PHV's taxable income or loss is allocated to partners in accordance with their respective percentage of ownership. Therefore, no provision or liability for income taxes has been included in the financial statements.

The Organizations evaluate tax positions taken or expected to be taken in its tax returns to determine whether the tax positions are more-likely-than-not of being sustained by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold, along with accrued interest and penalty thereon would be recorded as an expense in the current year financial statements. At December 31, 2017 and 2016, the Organization believes that they have no uncertain tax positions within any of their open tax years (2014-2016).

1. *Nature of Operations and Summary of Significant Accounting Policies – continued*

Below Market Loans
The Low Income Housing Tax Credit (LIHTC) program was created to foster a legislated public policy directive of the United States of America to create affordable low income housing. The Organization was created in order to create low income housing in order to generate LIHTC. Other governmental entities having a similar policy have lent money to the Organization at advantageous terms. The Organization has not discounted these below market interest rate loans as they were made at arm's length and to preserve the integrity of costs eligible for the LIHTC.

Tax Credit Exchange Program and Deferred Revenue
Section 42 of the Internal Revenue Code provides for low-income housing tax credits (LIHTC) for certain qualified expenditures in connection with the acquisition and construction/rehabilitation of low-income housing. PHV elected to participate in a loan/grant program under Section 1602 through which the allocated tax credits can be exchanged for loan/grant proceeds. Under the Tax Credit Exchange Program ("TC-X"), proceeds are provided in an amount no greater than 85% of the qualified basis of the property as defined under Section 42, currently $8,098,007. In addition, operations are subject to provisions of Section 42, which regulate the use of PHV's project as to occupancy eligibility and unit gross rent among other requirements. See Note 7.

2. *Long-Term Debt*

YNS – Cabot Affordable Housing

Department of Housing and Community Development (DHCD)	*2017*	*2016*
The Commonwealth of Massachusetts, acting by and through the DHCD, has provided funding of $500,000. In 2014, the interest rate was amended from 8.5% to 1% per annum, non-compounding, retroactive to issuance. All interest and principal is due at the maturity date of May 2027, or upon the occurrence of an event of default or the sale or other transfer of the property. The property is pledged as collateral for the mortgage. Accrued interest at December 31, 2017 and 2016 was $103,151 and $98,151, respectively. Interest expense for each of the years ended December 31, 2017 and 2016 was $5,000.	500,000	500,000

2. *Long-Term Debt – continued*

YNS - Cabot Affordable Housing – *continued*

	2017	*2016*
City of Beverly Loan The City of Beverly provided mortgage financing in the amount of $150,000. This note accrued interest at a rate of 8.5% per annum, compounded annually. No payments of principal and interest are due until May 2027, the maturity date. Accrued interest at December 31, 2017 and 2016 was $629,370 and $568,315, respectively. Interest expense for the years ended December 31, 2017 and 2016 was $61,055 and $56,274, respectively.	$ 150,000	$ 150,000
YMCA Loan The YMCA provided mortgage financing of $201,944. In 2016 the interest rate was amended from 9.0% to 4% per annum, compounded annually, effective January 1, 2016. Payments of principal and interest are due only to the extent of available cash flow after full payment of the deferred developer fee note. The outstanding balance and accrued interest are due in May 2027. The property is pledged as collateral for the mortgage. Accrued interest at December 31, 2017 and 2016 was $805,114. Interest expense for the years ended December 31, 2017 and 2016 was $40,282. The 2017 and 2016 interest expense of $40,282 was forgiven by the YMCA.	201,944	201,944
Beverly Cooperative Bank The Beverly Cooperative Bank has provided mortgage financing in the amount of $100,000. This loan accrues interest at a rate of 10% per annum. Monthly principal and interest payments of $878, which are based on a 30 year amortization schedule are due until June 2022, at which time the entire remaining principal and interest is due. The property is pledged as collateral for the mortgage. Interest expense for the years ended December 31, 2017 and 2016 was $3,779 and $8,201, respectively.	77,933	79,807

2. *Long-Term Debt* – *continued*

YNS - Cabot Affordable Housing – *continued*

	2017	*2016*
Community Economic Development Assistance Corporation (CEDAC) Loan CEDAC provided a mortgage financing in the amount of $300,000. During the year ended December 31, 2005, the interest rate was amended to 0%, retroactively to the inception of the loan. Payments for principal are due only to the extent of available cash flow after repayment of the deferred development fee note and the YMCA loan, or on the maturity date of May 2027.	300,000	300,000
North Shore Home Consortium (NSHC) Loan The NSHC provided mortgage financing in the form of two notes aggregating $275,000. These notes of $200,000 and $75,000, accrue interest at a rate of 8.5% per annum, compounded annually. No payments of principal and interest are due until May 2027, the maturity date. Accrued interest at December 31, 2017 and 2016 was $1,156,557 and $1,044,407, respectively. Interest expense for the years ended December 31, 2017 and 2016 was $112,150 and $103,363, respectively.	275,000	275,000
Developer Fee Note In connection with the rehabilitation of the property, YNS entered into a development fee services agreement with the YMCA. As part of the agreement, the Sponsor agreed to defer a portion of its fee, $59,291, as a loan to YNS. In 2016, the interest rate was amended from 9.0% to 4% per annum, compounded annually, effective January 1, 2016. Payments of principal and interest are due from available cash flow. Accrued interest at December 31, 2017 and 2016 was $158,293. Interest expense for the years ended December 31, 2017 and 2016 was $8,703. The 2017 and 2016 interest expense of $8,703 was forgiven by the YMCA.	59,291	59,291

2. *Long-Term Debt – continued*

YNS – Cape Ann Community Center

	2017	*2016*
Department of Housing and Community Development (DHCD)		
Note payable of $330,000 to DHCD, with outstanding principal and interest due April, 2024. In 2014, the interest rate was amended from 8.5% to 1% per annum, non-compounding, retroactive to issuance. The note was transferred from the Beverly Regional Young Men's Christian Association (YMCA) to YNS in 2011 and is secured by the property held in Gloucester, Massachusetts. Accrued interest at December 31, 2017 and 2016, was $78,278 and $74,978, respectively. Interest expense for both the years ended December 31, 2017 and 2016 was $3,300.	320,275	320,275
YMCA Loan		
The YMCA provided mortgage financing of $173,000. In 2016, the interest rate was amended from 10.0% to 4% per annum, compounded annually, effective January 1, 2016. Payments of principal and interest are due only to the extent of available cash flow after full payment of the deferred developer fee note. During 2017 and 2016, a payment of $0 and $60,000, respectively, was made toward the outstanding accrued interest. Accrued interest at December 31, 2017 and 2016 was $826,156. Interest expense for the years ended December 31, 2017 and 2016 was $39,966 and $42,366, respectively. The 2017 and 2016 interest expense of $39,966 and $42,366, respectively, was forgiven by the YMCA.	173,000	173,000
Total debt - YNS	2,057,443	2,059,317
Less current portion	(2,537)	(379,806)
Less debt issuance costs, net	(4,554)	-
Total long-term debt - YNS	$ 2,050,352	$ 1,679,511

2. *Long-Term Debt – continued*

PHV

Department of Housing and Community Development	*2017*	*2016*
Commonwealth of Massachusetts, acting by and through the Department of Housing and Community Development (DHCD), has provided funding of $1,000,000. This note is non-interest bearing. No payments for principal are due until the maturity date of June 2041. The note is secured by the property of the Project.	$ 980,614	$ 980,614
Federal Home Loan Bank The Federal Home Loan Bank of Boston note payable shall be deemed satisfied and borrower will be entitled to a release of the security agreement in 2025, upon the expiration of fifteen years compliance with the Affordable Housing Program regulations. This note is non-interest bearing. The note is secured by the property of the Project.	400,000	400,000
Community Economic Development Assistance Corporation (CEDAC) CEDAC provided a note payable that is non-interest bearing and secured by the property of the Project. Payments of principal are due 45 days after the fiscal year end in an amount equal to the amount by which gross cash receipts exceeds 105% of cash expenditures and after certain priority distributions of cash flow pursuant to the partnership agreement. All unpaid principal shall be due at maturity on June 2041.	1,160,000	1,160,000
CEDAC provided a note payable that is non-interest bearing and no payments for principal are due until the maturity date of December 2017 as long as the property remains affordable to extremely low-income tenants. During 2017, the Partnership began the process of refinancing which is expected to be completed during 2018. The Partnership shall receive annually a credit for each 2-3 bedroom unit that is occupied by an eligible low income family household at rent not in excess of 30%. Credits applied towards the loan for the years ended December 31, 2017 and 2016 were $76,848 and $35,222, respectively.	201,736	278,584

2. *Long-Term Debt – continued*

PHV – *continued*

	2017	2016
North Shore Home Consortium Loan The North Shore Home Consortium provided mortgage financing in the form of two notes aggregating $185,000. These notes of $100,000 and $85,000 are non-interest bearing and secured by the property of the Project. No payments for principal are due until June 3, 2061, the maturity date.	185,000	185,000
Massachusetts Housing Partnership The Massachusetts Housing Partnership (MHP) provided a mortgage which bears interest at 6.17% per annum. Monthly payments for principal and interest are based on a 30 year amortization and began February 2012. The note matures December 5, 2031. The note is secured by the property of the Project. At December 31, 2017 and 2016, accrued interest was $6,606 and $6,722, respectively, and interest expense was $80,030 and $81,375 respectively.	1,284,756	1,307,294
The MHP provided a mortgage which bears interest at 4.30% per annum. Monthly payments for principal and interest are based on a 30 year amortization and began February 2012. The note matures December 5, 2031. The note is secured by the property of the Project. At December 31, 2017 and 2016, accrued interest was $4,194 and $4,078, respectively, and interest expense was $48,442 and $49,330, respectively.	1,112,292	1,138,090
Massachusetts Housing Finance Agency Massachusetts Housing Finance Agency (MHFA) provided a non interest bearing note payable secured by the property of the Project. No payments for principal are due until the maturity date June 3, 2041.	350,000	350,000
Total debt outstanding - PHV	5,674,398	5,799,582
Less current portion	(50,898)	(362,142)
Less debt issuance costs, net	(91,537)	(95,425)
Total long-term debt - PHV	$ 5,531,963	$ 5,342,015
Total long-term debt	$ 7,582,315	$ 7,021,526

2. *Long-Term Debt – continued*

Annual maturities of debt for the ensuing five years and thereafter are summarized as follows:

Year	*Total*
2018	$ 53,435
2019	56,254
2020	59,226
2021	62,361
2022	129,696
Thereafter	7,370,869
Total	$ 7,731,841

Debt issuance costs related to PHV of $116,847 are being amortized using the effective interest method. The effective interest rate on the loan approximates 6.11%. For the years ended December 31, 2017 and 2016, interest expense relating to debt issuance costs totaled $3,888 and $3,895, respectively. Accumulated amortization at December 31, 2017 and 2016 was $25,310 and $21,422, respectively.

Debt issuance costs related to YNS of $4,811 are being amortized using the effective interest method. The effective interest rate on the loan approximates 5.03%. For the years ended December 31, 2017 and 2016, interest expense relating to debt issuance costs totaled $257 and $0, respectively. Accumulated amortization at December 31, 2017 and 2016 was $257 and $0, respectively.

3. *Related Party Transactions*

Development Fee and Developer's Overhead
For services in connection with the development of the property, YNS agreed to pay the YMCA, which controls YNS through common board members and management, a development fee in the total amount of $192,153. Payments of $132,862 have been made in previous years against this note. The remaining balance of $59,291, as described in Note 2, will be paid from net operating cash flow.

The YMCA has also provided financing in the amounts of $201,944 and $173,000, as described in Note 2.

At December 31, 2017 and 2016, interest expense relating to financing from the YMCA, was $88,951 and $91,351, respectively. During 2017 and 2016, interest expense of $88,951 and $91,351, respectively, was forgiven by the YMCA.

3. *Related Party Transactions – continued*

Management Fee
The Organization entered into a management agreement with the YMCA, to provide management services for which it is paid a monthly fee. During 2017 and 2016, the management fee totaled $61,397 and $62,021, respectively. In addition, reimbursements for payroll and certain operating costs directly attributable to the Organization were paid to the YMCA on behalf of the Organization, in the amount of $257,389 and $211,747 for the years ended December 31, 2017 and 2016, respectively. At December 31, 2017 and 2016, the Organization owes the YMCA $203,138 and $183,438 respectively.

At December 31, 2017 and 2016, the Organization has a receivable of $14,671 and $11,019, respectively, due from PHV Condo Trust. PHV shares commercial spaced with PHV Condo Trust and reimburses PHV for their share of the expenses. The allocation of expenses is based on square footage.

4. *Concentrations*

Credit Risk
The Organization maintains cash balances at three financial institutions. Accounts at these institutions are insured by the Federal Deposit Insurance Organization up to $250,000. Throughout the course of the year the balances in these institutions were above the insured amount. The Organization believes it is not exposed to any significant credit risk with respect to cash balances within those accounts.

Market
The Organization's primary assets are the Projects and its operations are concentrated in the real estate market. Additionally, the Organization operates in a heavily regulated environment which is subject to administrative directives, rules and regulations of Federal, state and local authorities, including but not limited to the Commonwealth of Massachusetts and the DHCD. Such administrative directives, rules and regulations are subject to change by an Act of Congress or an administrative change mandated by the Commonwealth of Massachusetts. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

5. *Rental Subsidy*

Various tenants' rents are subsidized by a Housing Assistance Payment (HAP) contract with Community Teamwork, Inc. (CTI). This assistance is restricted to those tenants who qualify by meeting certain Department of Housing and Urban Development (HUD) established criteria, including maximum income limitations. The assistance contract obligates CTI to provide rent subsidies. For the years ended December 31, 2017 and 2016, rental subsidy payments totaled $382,756 and $371,137, which represents 30% and 28%, respectively, of total rental income.

6. *Funded Reserves*

Operating Reserve
In accordance with the operating and financing agreements PHV is required to establish an operating reserve. The balance of the operating reserves at December 31, 2017 and 2016 was $305,962 and $302,610, respectively.

Replacement Reserves
PHV established a replacement reserve in accordance with the loan agreement with MHP. PHV will be required to fund the reserve with the initial annual deposits of $15,600, increasing by 5% annually over the term of the note payable. PHV will be required to maintain a minimum balance in the reserve of $15,600. The reserves will be held by MHP and will only be drawn down upon with permission of MHP. During 2017, PHV held replacement reserves in which deposits of $20,480 and withdrawals of $25,274 were made during the year. During 2016, PHV held replacement reserves in which deposits of $19,199 and withdrawals of $2,703 were made during the year. At December 31, 2017 and 2016, the reserve balance was $46,271 and $51,065, respectively.

During 2017, YNS held replacement reserves in which deposits of $318 and withdrawals of $45,614 were made during the year. During 2016, YNS held replacement reserves in which deposits of $421 and withdrawals of $17,660 were made during the year. At December 31, 2017 and 2016, the reserve balance was $186,060 and $231,356, respectively.

Taxes and Insurance Escrow
PHV has funds in escrow for taxes and insurance, in accordance with the loan agreement with MHP, the balance at December 31, 2017 and 2016, was $48,893 and $22,300, respectively.

Management Fee Escrow
DHCD holds PHV funds in an escrow account to pay future asset management fees. The balance at December 31, 2017 and 2016 was $108,381.

Activity within the escrow and reserve accounts for the year ended December 31, 2017 and 2016 was as follows:

	Balance January 1, 2017	*Deposits and Interest*	*Withdrawals*	*Balance December 31, 2017*
Reserve for replacements	$ 282,421	$ 20,798	$ (70,888)	$ 232,331
Tax and insurance escrow	22,300	73,687	(47,094)	$ 48,893
Operating and debt service reserve	302,610	3,352	-	305,962
Total	$ 607,331	$ 97,837	$ (117,982)	$ 587,186

	Balance January 1, 2016	*Deposits and Interest*	*Withdrawals*	*Balance December 31, 2016*
Reserve for replacements	$ 283,164	$ 19,620	$ (20,363)	$ 282,421
Tax and insurance escrow	14,744	58,610	(51,054)	22,300
Operating and debt service reserve	300,709	1,901	-	302,610
Total	$ 598,617	$ 80,131	$ (71,417)	$ 607,331

7. *Deferred Revenue*

PHV received funding in the amount of $8,098,007 through the Commonwealth of Massachusetts, DHCD Tax Credit Exchange Program ("TC-X"). The funding was in the form of a non interest bearing loan which contains certain recapture provision within the first fifteen years of operation of the property, as defined in the agreement. PHV intends to fully comply with term of the agreement and therefore, the funds received will be treated as a grant in accordance with generally accepted accounting principles and recorded as deferred revenue and recognized over a forty year period, the life of the asset. During 2017 and 2016, the Partnership recognized approximately $202,450, in revenue and expects to recognize approximately $202,450 in revenue over the next five years.

8. *Subsequent Events*

The Organization has performed an evaluation of subsequent events through April 20, 2018, which is the date of the Organization's financial statements were available to be issued. No material subsequent events have occurred since December 31, 2017 that requires recognition or disclosure in these financial statements.

YNS Affordable Housing, Inc. and Affiliate
Consolidating Schedule of Financial Position
December 31, 2017

	Assets				
	YNS Affordable Housing, Inc.				
	Cabot Affordable Housing	*Cape Ann Community Center*	*Total YNS Affordable Housing, Inc.*	*Powder House Village Limited Partnership*	*Total*
Current Assets					
Cash and cash equivalents	$ 73,158	$ 235,676	$ 308,834	$ 294,485	$ 603,319
Accounts receivable, net	8,193	1,538	9,731	4,241	13,972
Prepaid expenses	562	287	849	2,409	3,258
Due from affiliate	-	-	-	14,671	14,671
Total current assets	81,913	237,501	319,414	315,806	635,220
Reserves and Deposits					
Tenant security deposits	22,723	5,282	28,005	39,515	67,520
Operating reserve	-	-	-	305,962	305,962
Reserve for replacements	88,084	97,976	186,060	46,271	232,331
Tax and insurance escrow	-	-	-	48,893	48,893
Asset management fee escrow	-	-	-	108,381	108,381
Total deposits	110,807	103,258	214,065	549,022	763,087
Fixed Assets					
Land	54,563	18,000	72,563	1,122,142	1,194,705
Land Improvements	-	-	-	735,429	735,429
Buildings and improvements	1,630,476	717,461	2,347,937	10,162,273	12,510,210
Furniture and fixtures	31,612	12,869	44,481	1,642,423	1,686,904
Total fixed assets	1,716,651	748,330	2,464,981	13,662,267	16,127,248
Less: accumulated depreciation	(531,017)	(475,854)	(1,006,871)	(3,669,055)	(4,675,926)
Net fixed assets	1,185,634	272,476	1,458,110	9,993,212	11,451,322
Other Assets					
Tax credit fees, net	-	-	-	35,534	35,534
Total other assets	-	-	-	35,534	35,534
Total assets	$ 1,378,354	$ 613,235	$ 1,991,589	$ 10,893,574	$ 12,885,163

YNS Affordable Housing, Inc. and Affiliate
Consolidating Schedule of Financial Position - *continued*
December 31, 2017

Liabilities and Unrestricted Net Assets

	YNS Affordable Housing, Inc.				
	Cabot Affordable Housing	*Cape Ann Community Center*	*Total YNS Affordable Housing, Inc.*	*Powder House Village Limited Partnership*	*Total*
Current Liabilities					
Accounts payable and accrued expenses	31,738	$ 16,676	$ 48,414	$ 22,880	$ 71,294
Due to affiliates	147,534	7,079	154,613	48,525	203,138
Prepaid rent	74	-	74	125	199
Accrued interest	-	-	-	10,800	10,800
Deferred revenue	-	-	-	202,451	202,451
Mortgage and notes payable - current	2,537	-	2,537	50,898	53,435
Total current liabilities	181,883	23,755	205,638	335,679	541,317
Other Liabilities					
Tenant security deposits	21,354	5,285	26,639	38,687	65,326
Long-Term Liabilities					
Mortgage notes payable, net of unamortized debt issuance costs	-	-	-	2,254,613	2,254,613
Notes payable	1,497,786	493,275	1,991,061	3,277,350	5,268,411
Development fee payable	59,291	-	59,291	-	59,291
Deferred revenue	-	-	-	6,579,632	6,579,632
Accrued interest	2,852,485	904,434	3,756,919	-	3,756,919
Total long-term liabilities	4,409,562	1,397,709	5,807,271	12,111,595	17,918,866
Total liabilities	4,612,799	1,426,749	6,039,548	12,485,961	18,525,509
Unrestricted Net Assets	(3,234,445)	(813,514)	(4,047,959)	(1,592,387)	(5,640,346)
Total liabilities and unrestricted net assets	$ 1,378,354	$ 613,235	$ 1,991,589	$ 10,893,574	$ 12,885,163

YNS Affordable Housing, Inc. and Affiliate
Consolidating Schedule of Financial Position - *continued*
December 31, 2016

	Assets				
	YNS Affordable Housing, Inc.				
	Cabot Affordable Housing	*Cape Ann Community Center*	*Total YNS Affordable Housing, Inc.*	*Powder House Village Limited Partnership*	*Total*
Current Assets					
Cash and cash equivalents	$ 82,210	$ 138,945	$ 221,155	$ 330,871	$ 552,026
Accounts receivable, net	4,341	5,871	10,212	19,097	29,309
Prepaid expenses	406	184	590	2,649	3,239
Due from affiliate	-	-	-	11,019	11,019
Total current assets	86,957	145,000	231,957	363,636	595,593
Reserves and Deposits					
Tenant security deposits	17,682	4,592	22,274	39,409	61,683
Operating reserve	-	-	-	302,610	302,610
Reserve for replacements	119,021	112,335	231,356	51,065	282,421
Tax and insurance escrow	-	-	-	22,300	22,300
Asset management fee escrow	-	-	-	108,381	108,381
Total reserves and deposits	136,703	116,927	253,630	523,765	777,395
Fixed Assets					
Land	54,563	18,000	72,563	1,122,142	1,194,705
Land Improvements	-	-	-	727,245	727,245
Buildings and improvements	1,630,476	717,461	2,347,937	10,162,273	12,510,210
Furniture and fixtures	31,612	12,869	44,481	1,639,905	1,684,386
Total fixed assets	1,716,651	748,330	2,464,981	13,651,565	16,116,546
Less: accumulated depreciation	(427,887)	(405,031)	(832,918)	(3,345,484)	(4,178,402)
Net fixed assets	1,288,764	343,299	1,632,063	10,306,081	11,938,144
Other Assets					
Tax credit fees, net	-	-	-	39,612	39,612
Total other assets	-	-	-	39,612	39,612
Total assets	$ 1,512,424	$ 605,226	$ 2,117,650	$ 11,233,094	$ 13,350,744

YNS Affordable Housing, Inc. and Affiliate
Consolidating Schedule of Financial Position - *continued*
December 31, 2016

Liabilities and Unrestricted Net Assets

	YNS Affordable Housing, Inc.				
	Cabot Affordable Housing	*Cape Ann Community Center*	*Total YNS Affordable Housing, Inc.*	*Powder House Village Limited Partnership*	*Total*
Current Liabilities					
Accounts payable and accrued expenses	$ 41,329	$ 7,545	$ 48,874	$ 11,991	$ 60,865
Due to affiliates	162,539	7,611	170,150	13,288	183,438
Prepaid rent	188	3	191	1,631	1,822
Accrued interest	-	-	-	10,800	10,800
Deferred revenue	-	-	-	202,450	202,450
Mortgage and notes payable - current	379,806	-	379,806	362,142	741,948
Total current liabilities	583,862	15,159	599,021	602,302	1,201,323
Other Liabilities					
Tenant security deposits	17,123	4,596	21,719	38,588	60,307
Long-Term Liabilities					
Mortgage notes payable, net of unamortized debt issuance costs	-	-	-	1,987,816	1,987,816
Notes payable	1,126,945	493,275	1,620,220	3,354,199	4,974,419
Development fee payable	59,291	-	59,291	-	59,291
Deferred revenue	-	-	-	6,782,082	6,782,082
Accrued interest	2,674,278	901,134	3,575,412	-	3,575,412
Total long-term liabilities	3,860,514	1,394,409	5,254,923	12,124,097	17,379,020
Total liabilities	4,461,499	1,414,164	5,875,663	12,764,987	18,640,650
Unrestricted Net Assets	(2,949,075)	(808,938)	(3,758,013)	(1,531,893)	(5,289,906)
Total liabilities and unrestricted net assets	$ 1,512,424	$ 605,226	$ 2,117,650	$ 11,233,094	$ 13,350,744

YNS Affordable Housing, Inc. and Affiliate
Consolidating Schedule of Activities
December 31, 2017

	YNS Affordable Housing, Inc.				
	Cabot Affordable Housing	*Cape Ann Community Center*	*Total YNS Affordable Housing, Inc.*	*Powder House Village Limited Partnership*	*Total*
Income					
Gross potential tenant rent	$ 316,540	$ 270,136	$ 586,676	$ 564,150	$ 1,150,826
Less - vacancy loss	(40,422)	(5,072)	(45,494)	(14,800)	(60,294)
Net rental income	276,118	265,064	541,182	549,350	1,090,532
Grant income	-	-	-	202,450	202,450
Miscellaneous	2,466	6,273	8,739	12,443	21,182
Total income	278,584	271,337	549,921	764,243	1,314,164
Operating Expenses					
Rental activities	505,107	251,908	757,015	811,428	1,568,443
General and adminstrative	56,066	26,786	82,852	90,157	173,009
Total operating expenses	561,173	278,694	839,867	901,585	1,741,452
Loss before non-operating items	(282,589)	(7,357)	(289,946)	(137,342)	(427,288)
Non-operating items					
Forgiveness of debt	-	-	-	76,848	76,848
Total non-operating items	-	-	-	76,848	76,848
Change in net assets	(282,589)	(7,357)	(289,946)	(60,494)	(350,440)
Net assets, beginning of year	(2,951,856)	(806,157)	(3,758,013)	(1,531,893)	(5,289,906)
Net assets, end of year	$ (3,234,445)	$ (813,514)	$ (4,047,959)	$ (1,592,387)	$ (5,640,346)

YNS Affordable Housing, Inc. and Affiliate
Consolidating Schedule of Activities - *continued*
December 31, 2016

	YNS Affordable Housing, Inc.				
	Cabot Affordable Housing	*Cape Ann Community Center*	*Total YNS Affordable Housing, Inc.*	*Powder House Village Limited Partnership*	*Total*
Income					
Gross potential tenant rent	$ 315,980	$ 264,768	$ 580,748	$ 565,713	$ 1,146,461
Less - vacancy loss	(39,527)	(64)	(39,591)	(12,798)	(52,389)
Net rental income	276,453	264,704	541,157	552,915	1,094,072
Grant income	-	-	-	202,450	202,450
Miscellaneous revenue	2,506	1,071	3,577	10,040	13,617
Total income	278,959	265,775	544,734	765,405	1,310,139
Operating Expenses					
Rental activities	473,349	229,076	702,425	958,456	1,660,881
General and adminstrative	52,618	24,909	77,527	106,194	183,721
Total operating expenses	525,967	253,985	779,952	1,064,650	1,844,602
Loss before non-operating items	(247,008)	11,790	(235,218)	(299,245)	(534,463)
Non-operating items					
Forgiveness of debt	-	-	-	35,222	35,222
Total non-operating items	-	-	-	35,222	35,222
Change in net assets	(247,008)	11,790	(235,218)	(264,023)	(499,241)
Net assets, beginning of year	(2,704,848)	(817,947)	(3,522,795)	(1,267,870)	(4,790,665)
Net assets, end of year	$ (2,951,856)	$ (806,157)	$ (3,758,013)	$ (1,531,893)	$ (5,289,906)

YNS Affordable Housing, Inc. and Affiliate
Consolidated Schedule of Functional Expenses
December 31, 2017

	Cabot Affordable Housing	*Cabot Affordable Housing*	*Cape Ann Community Center*	*Cape Ann Community Center*	*Total YNS Affordable Housing, Inc.*	*Total YNS Affordable Housing, Inc.*	*Powder House Village Limited Partnership*	*Powder House Village Limited Partnership*	*Total YNS Affordable Housing, Inc. and Affiliate*
	Rental Activities	General and Administrative	Rental Activities	General and Administrative	Rental Activities	General and Administrative	Rental Activities	General and Administrative	Total
Professional fees	$ 13,365	$ 1,485	$ 7,414	$ 824	**$ 20,779**	**$ 2,309**	$ 17,973	$ 1,997	**$ 43,058**
Management fees	12,497	1,389	17,786	1,976	**30,283**	**3,365**	24,974	2,775	**61,397**
Administrative fee	29,205	3,245	32,240	3,582	**61,445**	**6,827**	38,624	4,292	**111,188**
Program	3,355	-	7,981	-	**11,336**	-	2,189	243	**13,768**
Telephone	2,811	312	1,675	186	**4,486**	**498**	702	78	**5,764**
Occupancy	49,527	5,503	45,911	5,101	**95,438**	**10,604**	119,968	13,330	**239,340**
Repairs and maintenance	89,816	9,980	25,166	2,797	**114,982**	**12,777**	90,785	10,086	**228,630**
Custodial Services	24,083	2,676	36,201	4,022	**60,284**	**6,698**	73,185	8,132	**148,299**
Bank and other fees	12,135	1,348	6,274	697	**18,409**	**2,045**	18,581	2,064	**41,099**
Interest	164,016	18,224	2,971	330	**166,987**	**18,554**	119,125	13,236	**317,902**
Bad debt	5,554	617	-	-	**5,554**	**617**	-	-	**6,171**
Depreciation and amortization	92,817	10,313	63,741	7,082	**156,558**	**17,395**	294,884	32,765	**501,602**
Replacement reserve	-	-	-	-	-	-	6,825	758	**7,583**
Miscellaneous	5,926	974	4,548	189	**10,474**	**1,163**	3,613	401	**15,651**
Total	$ 505,107	$ 56,066	$ 251,908	$ 26,786	**$ 757,015**	**$ 82,852**	$ 811,428	$ 90,157	**$ 1,741,452**

YNS Affordable Housing, Inc. and Affiliate
Consolidated Schedule of Functional Expenses – *continued*
December 31, 2016

	Cabot Affordable Housing	*Cabot Affordable Housing*	*Cape Ann Community Center*	*Cape Ann Community Center*	*Total YNS Affordable Housing, Inc.*	*Total YNS Affordable Housing, Inc.*	*Powder House Village Limited Partnership*	*Powder House Village Limited Partnership*	*Total YNS Affordable Housing, Inc. and Affiliate*
	Rental Activities	General and Administrative	Rental Activities	General and Administrative	Rental Activities	General and Administrative	Rental Activities	General and Administrative	Total
Professional fees	$ 11,313	$ 1,257	$ 8,005	$ 889	**$ 19,318**	**$ 2,146**	$ 12,308	$ 1,368	**$ 35,140**
Management fees	13,216	1,468	17,753	1,973	**30,969**	**3,441**	24,850	2,761	**62,021**
Administrative fee	27,622	3,069	28,745	3,194	**56,367**	**6,263**	32,975	3,664	**99,269**
Program	2,591	-	2,088	-	**4,679**	-	2,732	-	**7,411**
Telephone	2,912	324	1,586	176	**4,498**	**500**	395	44	**5,437**
Occupancy	56,680	6,298	51,111	5,679	**107,791**	**11,977**	126,638	14,071	**260,477**
Repairs and maintenance	57,884	6,432	21,212	2,357	**79,096**	**8,789**	48,391	5,377	**141,653**
Custodial Services	24,676	2,742	23,141	2,571	**47,817**	**5,313**	56,416	6,268	**115,814**
Bank and other fees	9,257	1,028	6,713	746	**15,970**	**1,774**	16,814	1,868	**36,426**
Interest	158,524	17,614	-	-	**158,524**	**17,614**	121,140	13,460	**310,738**
Bad debt	4,866	541	-	-	**4,866**	**541**	6,332	704	**12,443**
Depreciation and amortization	94,297	10,478	64,676	7,186	**158,973**	**17,664**	499,505	55,501	**731,643**
Replacement reserve	-	-	-	-	-	-	6,500	722	**7,222**
Miscellaneous	9,511	1,367	4,046	138	**13,557**	**1,505**	3,460	386	**18,908**
Total	$ 473,349	$ 52,618	$ 229,076	$ 24,909	**$ 702,425**	**$ 77,527**	$ 958,456	$ 106,194	**$ 1,844,602**

EXHIBIT 3: COMMUNITY NEED

Meeting the BAHT's Funding Priorities

Cabot Housing meets many of the funding priorities set out by the Affordable Housing Trust.

- The project will provide high-quality housing for low income individuals, and attains a deeper level of affordability (majority of units at 30% - 50% AMI) than required by the Trust.
- Cabot Housing currently has capacity to house 45 individuals. The addition of 24 new units brings the total to 69, and maximizes the use of the existing site and building.
- YMCA of the North Shore owns and manages its properties in order to maintain long term affordability, and will commit to a minimum of 30 years affordability, restricted by deed.
- The sponsor can request a 70% local preference (the maximum allowed under Fair Housing) from the State funders. Since 10 units are set aside for homeless individuals, the local preference could include Beverly, Salem, and Peabody, benefitting the three communities that signed the Mayors' Homeless Task Force MOU.
- The project effectively creates additional long-term affordability in an area of mainly market-rate housing development.
- YMCA of the North Shore supports and affirms Fair Housing.
- A short walk from the Commuter Rail station and well served by bus lines, Cabot Housing is a transit-oriented development. The site is located within a short walk of all the downtown Beverly amenities and services.
- Local funding will be leveraged to generate more than 30 times its value in State and private funds.

Meeting the City's needs as identified in the Community Housing Plan

The housing plan highlights a need for affordable rental housing in particular (versus for-sale units). The 69 studio apartments at Cabot Housing will provide an additional 24 units of deeply affordable housing for individuals. According to the plan, there are approximately 610 non-elderly individuals who are currently severely rent burdened in Beverly, spending more than half of their income on rent. Rising market rents exacerbate this problem. Cabot Housing will provide long term affordability and stability in a downtown which is currently seeing an expansion of market-rate housing.

The existing 45 units, while serviceable, are in need of updating. Major systems (HVAC, plumbing fixtures) are at or nearing the end of their useful lives and need replacement. The central A/C chiller is non-functional, and the roof has had several large leaks (rendering units un-occupiable for a time), and needs to be replaced. The existing units do not have kitchens (cooking facilities are communal), and are extremely small, with some about 100 square feet. The proposed renovation calls for larger units (although still quite modest, at around 200 square feet), with a private bath and kitchenette in every apartment.

Cabot Housing will serve a diverse population. Ten units will be reserved for homeless individuals, and an additional ten units will be set aside for developmentally disabled individuals. The project will integrate accessibility, and ten of the 69 units will be fully HC accessible (15%, well above the minimum code-required 5%), and all units will be visitable. In addition to the property manager and maintenance staff, there will be a Resident Services Coordinator available to all residents.

EXHIBIT 4: COMMUNITY SUPPORT

There is a great deal of local support for this project. Attached are letters of support from the following:

- State Representative Parisella
- State Senator Lovely
- Beverly Bootstraps
- Northeast ARC

To note: these letters were originally written for other funding applications, and reflect ongoing support for the project. Updated letters can be procured as requested.

The Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES
STATE HOUSE, BOSTON 02133-1054

JERALD A. PARISELLA
STATE REPRESENTATIVE
6TH ESSEX DISTRICT
BEVERLY

STATE HOUSE, ROOM 156
TEL. (617) 722-2240
Jerald.Parisella@MAhouse.gov

Chair
Joint Committee on Public Service

September 7, 2017

Ms. Chrystal Kornegay
Undersecretary
Massachusetts Department of Housing and Community Development
100 Cambridge Street, Suite 300
Boston, MA 02110

RE: Cabot House Project

Dear Undersecretary Kornegay,

Harborlight Community Partners has been a local resource providing affordable housing and support services for low income individuals and seniors for over 50 years. I would like to see them continue to help those in need and thrive in the future and want to express my full support for this much needed project. Currently, there are 45 Single Room Occupancy units with common bathrooms and a kitchen. The proposed project seeks to enhance the current living facilities and create between 20-24 units to better meet housing needs, as well as give every room a bathroom and kitchenette. In addition, some of these units would specifically be dedicated for DDS clients through a partnership with Northeast ARC. Lastly, because support services are imperative for the success of its residents, a full time case manager will be brought on. For these reasons I urge for the approval of the Cabot House Project.

Thank you for considering supporting this worthy project in our city.

Sincerely,

Jerald A. Parisella
State Representative

The Commonwealth of Massachusetts

MASSACHUSETTS SENATE

ASSISTANT MAJORITY WHIP

SENATOR JOAN B. LOVELY
Second Essex District

STATE HOUSE, ROOM 413A
BOSTON, MA 02133-1053
TEL. (617) 722-1410
FAX (617) 722-1347
JOAN.LOVELY@MASENATE.GOV
WWW.MASENATE.GOV

Vice Chair
CHILDREN, FAMILIES AND PERSONS WITH DISABILITIES
and
JOINT COMMITTEE ON STATE ADMINISTRATION AND REGULATORY OVERSIGHT

January 9, 2018

Ms. Chrystal Kornegay, Undersecretary
Massachusetts Department of Housing and Community Development
100 Cambridge Street, Suite 300
Boston, MA 02110

Dear Undersecretary Kornegay:

I am writing to express my strong support for the YMCA of the North Shore's proposed project at 245 Cabot Street. The project has received all required local approvals and will upgrade all 45 existing single room occupancy units to studio units by providing private kitchenettes and bathrooms in each unit. These upgrades will also provide each resident with an average of 40% more living space.

In addition, the project includes the addition of 24 studio units of which 3 will be dedicated to those experiencing homelessness and 5 for individuals with cognitive and physical disabilities. This project as proposed would include supportive services allowing for a full time Maintenance Director, Housing Director and Case Management for additional support.

The YMCA of the North Shore is a local, long-standing nonprofit that we know and trust for their work in affordable housing and in many, many other areas. Again, the project is fully permitted, designed and shovel-ready.

I am eager to see this project advance swiftly, with the assistance of state funding. Given the YMCA's strong track record in the region, I am confident that this housing will continue to be well-constructed, well-managed and serve individuals in need of safe, secure and affordable housing.

Thank you for your consideration of this worthy project. If I can be of further assistance please do not hesitate to contact me at (617) 722-1410 or Joan.Lovely@masenate.gov.

Sincerely,

Joan B. Lovely

Beverly Bootstraps
EMBRACE · EDUCATE · EMPOWER

July 11, 2018

Federal Home Loan Bank of Boston Affordable Housing Program
800 Boylston Street
Boston, Massachusetts

Re: Economic Empowerment Services for Cabot Housing

To: Federal Home Loan Bank of Boston Affordable Housing Program

On behalf of Beverly Bootstraps, this letter of commitment is being executed to offer the following Economic Empowerment Services to all residents of the above referenced project. Economic Empowerment Services are services which offer workforce readiness, homeownership readiness and sustainability, self-sufficiency services, healthcare services, or resident leadership and organizational decision making services. The services to be offered to build workforce readiness are:

1. ESOL education. This Service will be offered to all residents and available within six months of project completion.
2. HISet preparation education. This Service will be offered to all residents and available within six months of project completion.

On behalf of our organizations, we hereby agree to the above:

Sue Gabriel
Executive Director
Beverly Bootstraps

Chris Lovasco
CEO
YMCA of the North Shore, Inc.

35 Park Street • Beverly, MA 01915 • T: 978·927·1561, F: 978·927·1553 • BeverlyBootstraps.org

Classification: Public

NortheastArc

Chris Lovasco, CEO
North Shore YMCA
245 Cabot St, Beverly MA 01915

September 6, 2017

Chris,

The Northeast Arc is pleased to support the proposed expansion of housing by the North Shore YMCA within the Beverly community and fully support the development of the housing to include units for people with disabilities. The Northeast Arc has provided residential supports and services within the City of Beverly for over 40-years. The Northeast Arc also provides a variety of other services directly within the City including Early Intervention Services, Transition Services to high school students and inclusive social and recreational activities to people of all ages and abilities.

The Northeast Arc and North Shore YMCA have existed within the same communities and have partnered with each other through both formal and informal affiliations and agreements for over 60-years. The additional housing units can lead to strengthening both organizations mutual support, and will lead to increase benefits to residents of the housing units.

Resources the Northeast Arc would be willing to share with eligible residents include:

- Independent Living Supports: Case management, medical case management, hands-on staffing can be arranged through our state contracts or for a fee-for-service.
- Personal Care Management: The Northeast Arc is one of the largest providers of PCM services on the North Shore. Through insurance billing we would be able to provide assessments to determine eligibility of the program and then assist with hiring, supervising and payment of staff.
- Autism Support Center: The Northeast Arc hosts the North of Boston Region Autism Support Center for the Commonwealth. Information, referrals and resources are available at no charge. Support programs and low cost activities are provided within the Gloucester Community.
- Family Resource Center: The Family Resource Center is funded to assist people in becoming actively engaged within their communities.
- Employment Supports: Providing job training, education and on-site job coaching within the Gloucester community. Supports can be funded through a variety of state funded programs and privately.
- Day Activities: Northeast Arc hosts a variety of day activity options for people needing therapeutic interventions or social networking in a community setting. Day Services help arrange transportation

I look forward to expanding our partnership and being able to better serve the City of Beverly.

Jo Ann Simons
CEO/President
Northeast Arc

EXHIBIT 5: SITE CONTROL/VALUE

The property is owned by YNS Affordable Housing Inc., a subsidiary of YMCA of the North Shore, Inc. The existing owner will transfer the property to the to-be-formed special purpose development entity in a paper transaction.

- Deed
- Appraisal

F 2

DP/2

2013012900263 Bk:32158 Pg:342
01/29/2013 11:26 DEED Pg 1/2

QUITCLAIM DEED

Unit 2, 245 Cabot Street, Beverly, Massachusetts

Cabot Affordable Housing Limited Partnership, a Massachusetts limited partnership, with an address of 245 Cabot Street, Beverly, Massachusetts 01915, (the "**Grantor**")

for consideration paid and in full consideration of **Ten Dollars ($10.00)**, grants to

YNS Affordable Housing, Inc., a Massachusetts non profit corporation ("**Grantee**"), with an address of 245 Cabot Street, Beverly, Massachusetts 01915

with Quitclaim Covenants, the property described as follows:

Unit 2 of the Beverly Regional YMCA Condominium, a condominium located on premises at 245 Cabot Street, Beverly, Essex County, Massachusetts, together with its undivided percentage of the common areas therein, as established by a Condominium Master Deed recorded with the Southern Essex District Registry of Deeds (the "Registry") in Book 13797, Page 351 and the By-Laws of said condominium, recorded with the Registry in Book 13797, Page 373 (the "Unit").

The Post Office and Property address of the Unit is:

Beverly Regional YMCA Condominium
245 Cabot Street, Unit 2
Beverly, Massachusetts 01915

The Unit is shown on a plan recorded of even date with the aforementioned Master Deed and By-Laws to which is affixed a verified statement in the form provided by M.G.L. c. 183A § 9, and is conveyed subject to and with the benefit of the obligations, restrictions, rights and liabilities contained in M.G.L. c. 183A, the Master Deed and the By-Laws.

The Unit is intended for residential, recreational, day care, and social service delivery purposes and such other uses as are set forth in the Master Deed.

The undivided percentage interest of the Unit in the common areas and facilities is 50%.

For Grantor's title, see Deed dated October 11, 1996 and recorded with the Registry in Book 13797, Page 409.

[Signature appears on following page.]

Return to:
Christopher Swiniarski
Bartlett, Hackett, Feinberg
155 Federal Street
9th Floor
Boston, MA 02110

WITNESS my hand and seal this 24th day of January, 2013.

CABOT AFFORDABLE HOUSING LIMITED PARTNERSIHP

By: Cabot Essex Affordable Housing Limited Partnership
Its: General Partner

By: Cabot Affordable Housing, Inc.
Its: General Partner

By: _____
Name: John J. Meany
Title: President

COMMONWEALTH OF MASSACHUSETTS

Essex, ss

On this 24 day of January, 2013, before me, the undersigned notary public, personally appeared John J. Meany, President of Cabot Affordable Housing, Inc., the General Partner of Cabot Essex Affordable Housing Limited Partnership, the General Partner of Cabot Affordable Housing Limited Partnership, proved to me through satisfactory evidence of identification, which was John J. Meany M.D., to be the person whose name is signed on the preceding attached document and acknowledged to me that he signed it voluntarily for its stated purpose.

_____
Notary Public:
My Commission Expires: 9/13/2013

RHONDA ANN WALLACE
Notary Public
COMMONWEALTH OF MASSACHUSETTS
My Commission Expires
September 13, 2013

KIRK&COMPANY

Appraisal Report
Beverly YMCA
An existing YMCA/SRO Development
located at
245 Cabot Street in
Beverly, (Essex County), Massachusetts

Date of Report: January 3, 2018
Effective Date of Value: December 21, 2017
Date of Last Inspection: November 1, 2017

Prepared by:

David S. Kirk, MAI, CRE®
Certified General Real Estate Appraiser
Massachusetts – 1520
New Hampshire – NHCG-921

Brett N. Pelletier
Certified General Real Estate Appraiser
Massachusetts – 75624
New Hampshire – NHCG-917
Rhode Island – CGA.0020052

Prepared for:
Andrew Rowe
Portfolio Manager
Beverly Bank
73 Lafayette Street
Salem, MA 01970

REAL ESTATE COUNSELORS

31 MILK STREET, SUITE 820 BOSTON, MA 02109
TEL: 617-261-7100
EMAIL: dsk@kirkco.com • bpelletier@kirkco.com

January 3, 2018

Andrew Rowe
Portfolio Manager
Beverly Bank
73 Lafayette Street
Salem, MA 01970

RE: 245 Cabot Street Beverly, MA 01915 – Appraisal (Condo Units)

Dear Mr. Rowe:

At your request, we have inspected and analyzed the referenced property and its market to estimate the Market Value "As Is" and "As Proposed" of the subject property and the Market Value "As Is" of a 2,982-square foot portion of Unit 1. This letter summarizes our conclusions of a complete appraisal as set forth in the attached appraisal report. The property interest being appraised is the fee simple interest. This report has been prepared for the exclusive use of Beverly Bank to assist in due diligence and decision making, and loan underwriting.

The property at 245 Cabot Street Beverly, MA consists of 45 existing SRO affordable housing units within a single condominium unit (unit 2) at the property. The borrower intends to acquire unit 2 and a small portion of unit 1 and intends to redevelop the property into 69 affordable studio units. The purpose of the assignment is to estimate the current market value "As Is" of Unit 2, the current market value "As Is" of a 2,982-square foot portion of Unit 1, and the market value "As Complete" of the new Unit 2 including 69 units of studio housing within three floors. The valuation scenarios will be subject to existing and proposed conditions, operation, restrictions and the current market.

The conclusions as set forth in this report are based on a review of the zoning ordinance, physical improvements and related information. However, these conclusions should not be construed as legal or technical advice which would normally be provided by a lawyer, engineer, or architect.

Our opinion of the Market Value 'As Is" of the affordable studio apartment development located within a condominium unit of the Beverly Regional YMCA Condominiums at 245 Cabot Street in Beverly, MA, subject to the existing 45-unit restricted, mixed-income residential rental housing development and assuming affordable operations and restrictions as of December 21, 2017 is:

TWO MILLION SIX-HUNDRED THOUSAND U.S. DOLLARS
$2,600,000

Our opinion of the Market Value 'As Proposed' of the proposed affordable studio apartment development located within a condominium unit of the Beverly Regional YMCA Condominiums at 245 Cabot Street in Beverly, MA, subject to the proposed 69-unit restricted, mixed-income residential rental housing development and assuming affordable operations and restrictions as of December 21, 2017 is:

FIVE MILLION TWO HUNDRED THOUSAND U.S. DOLLARS
$5,200,000

Our opinion of the Market Value 'As Is" of the 2,982 square-foot portion of condominium unit 1 of the Beverly Regional YMCA Condominiums at 245 Cabot Street in Beverly, MA, subject to the existing condition and development as of December 21, 2017 is:

FOUR-HUNDRED SEVENTY THOUSAND U.S. DOLLARS
$470,000

The estimates and opinion of value in this report are subject to the statements of assumptions and limiting conditions included in the attached self-contained appraisal report. We are delighted to be of service to you. If you have any questions regarding the content of this report please feel free to contact us.

Sincerely,

David S. Kirk, MAI, CRE®
Kirk&Company
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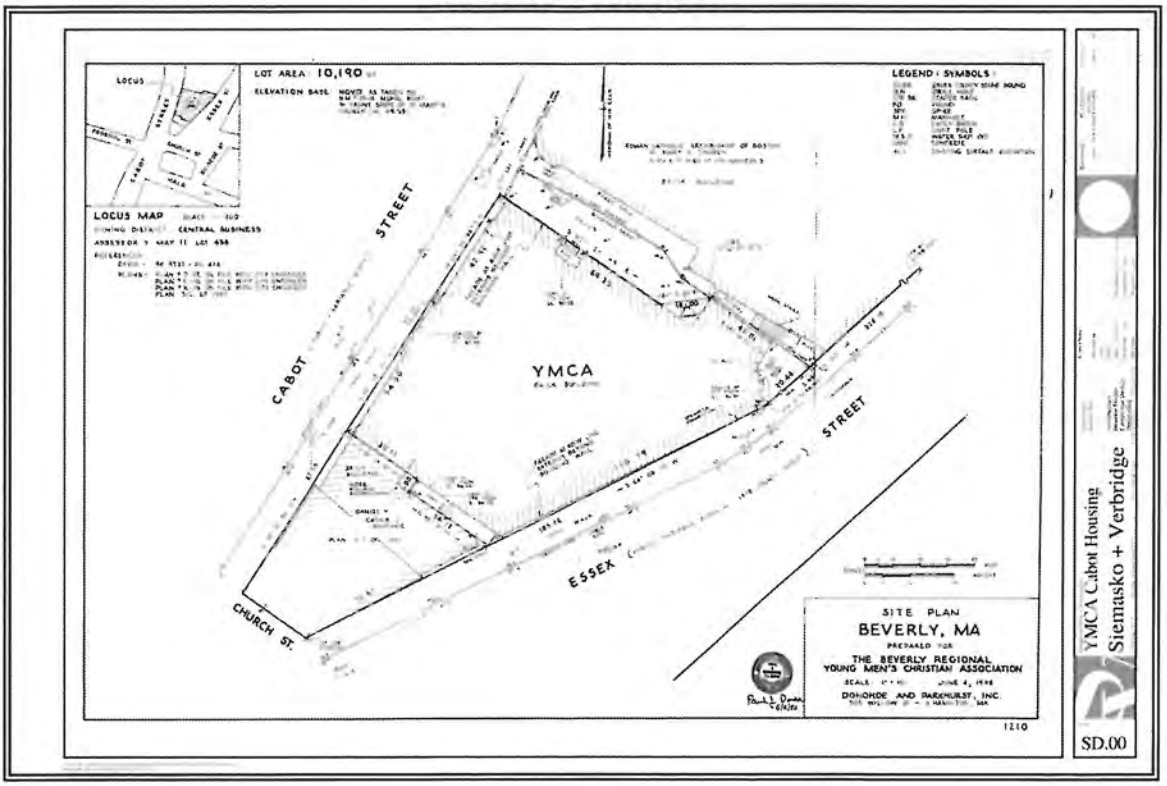
SUBJECT PROPERTY



SUBJECT PROPERTY REGIONAL MAP

SUBJECT PROPERTY NEIGHBORHOOD MAP

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PART I: INTRODUCTION

EXECUTIVE SUMMARY

The Assignment

Subject Property:	Cabot Street YMCA
Property Address:	245 Cabot Street
Neighborhood:	Downtown
City:	Beverly
County:	Essex
State:	Massachusetts
Parcel ID:	11-458-2 & 11-458-1 (portion)
Legal Description (Book/Page):	32158/342
Current Ownership:	YNS Affordable Housing Inc.
Current Contract Status:	Not currently listed for sale, not under contract for sale
Property Rights Appraised:	Fee Simple Estate
Value Appraised:	Market Value "As Is" of Unit 2, the current Market Value "As Is" of a 2,982-square foot portion of Unit 1, and the Market Value "As Complete" of the new Unit 2 including 69 units of studio housing within three floors.
Date of Report:	January 3, 2018
Effective Date of Value:	December 21, 2017
Date of Last Inspection:	November 1, 2017
Intended Use:	Due diligence assistance and laon decision making
Intended User(s):	Beverly Bank & their designees
Special Assumptions:	Refer to statements of assumptions and limiting conditions
Hypothetical Conditions:	Refer to statements of assumptions and limiting conditions
Extraordinary Assumptions:	Refer to statements of assumptions and limiting conditions
Marketing & Exposure Time:	It is reasonable to assume an exposure and marketing time of approximately six months due to the transaction volume of comparable properties within the market at the time and general market conditions for similar properties within the market.

The Property

Current Use:	45-Unit Affordable SRO
Building Area:	13,000+- SF
Site Shape:	Irregular
Zoning District:	CC
Utilities:	Electricity, Natural Gas, Cable, Broadband Internet, Water & Sewer
Easements:	Assumed to be none.
Hazardous Materials:	Assumed to be none.
Highest and Best Use:	
As Vacant:	Mixed Use
As Improved:	Mixed Use

Conclusions

Market Value: *As Is*	$2,600,000
Market Value: *As Proposed*	$5,200,000
Market Value: *As Is of 2,982sf Portion of Unit 1*	$470,000

ASSUMPTIONS AND LIMITING CONDITIONS

Special Assumptions and Limiting Conditions

1. For the preparation of this appraisal, the appraisers have relied upon written documentation provided by Beverly Bank, YMCA of the North Shore, and Harborlight Community Partners regarding proposed operation, current physical condition, and current status of the project.
2. It is assumed for the purposes of this analysis that the current unit affordability is restricted to 60% of the Area Median Income (AMI) for the area and can be rented to residents with incomes up to 60% of the AMI. It is assumed that 15 of the existing units are covered under MRVP contracts, while 30 units are subject to LIHTC Section 42 regulations; however, no regulatory agreements, restrictions, or contracts were provided for review for this assignment.
3. The property is operated by a mission-driven community non-profit entity and provides additional and elective staffing and services, over and above what is typically provided within the market and sets rent levels far below what is achievable within the market and current and historical income is not considered a reasonable estimate of operations for valuation purposes.

Basic Assumptions and Limiting Conditions

1. It is assumed that the title to this property is good and marketable. The value estimate is given without regard to any questions of title, boundaries or encroachments. It is assumed that all assessments are paid. We assume the property to be free and clear of liens and encumbrances except as noted. No attempt has been made to render an opinion or determine the status of easements that may exist.
2. The legal description, included herein, should be verified by legal counsel before being relied upon or used in any conveyance or other document.
3. We are not familiar with any engineering studies made to determine the bearing capacity of the land. It is assumed that soil and subsoil conditions are stable unless specifically outlined in this report.
4. Any exhibits in the report are intended to assist the reader in visualizing the property and its surroundings. The drawings are not intended as surveys and no responsibility is assumed for their cartographic accuracy. Any drawings are not intended to be exact in size, scale or detail.
5. Our value estimate involves only the real estate and all normal building equipment if any improvements are involved. No consideration was given to personal property, (or special equipment), unless stated.
6. It is assumed that the property is subject to lawful, competent and informed ownership and management unless noted.
7. Information in this report concerning market data was obtained from buyers, sellers, brokers, attorneys, trade publications and public records. To the extent possible, this information was examined for accuracy and is believed to be reliable. Dimensions, area or data obtained from others is believed correct; however, no guarantee is made in that the appraisers did not personally measure same.

8. Any information, in whatever form, furnished by others is believed to be reliable; however, no responsibility is assumed for its accuracy.

9. The physical condition of the improvement described herein was based on visual inspection. Electrical, heating, cooling, plumbing, sewer and septic systems, mechanical equipment and water supply were not specifically tested, but were assumed to be in good working order, and adequate, unless otherwise specified. No liability is assumed for the soundness of structural members, since no engineering tests were made of same. The roof(s) of structures described herein are assumed to be good repair unless otherwise noted. The existence of potentially hazardous material used in the construction or maintenance of the building, such as urea formaldehyde foam insulation and/or asbestos insulation, which may or may not be present on the property, has not been considered. In addition, no deposit of toxic wastes, unless specifically mentioned herein have been considered. The appraisers are not qualified to detect such substances and suggest the client seek an expert opinion from a qualified professional, if desired.

10. In addition, if the client has any concern regarding the structural, mechanical or protective components of the improvements described herein, or the adequacy or quality of sewer treatment plant, water or other utilities, it is suggested that independent contractors or experts in these disciplines, be retained by said client, before relying upon this appraisal.

11. Any valuation analysis of the income stream is predicated upon financing conditions as specified herein, which we have reason to believe are available for this property as of the date of valuation. Financing terms and conditions other than those indicated may alter the final value conclusions.

12. Expenses shown in the Income Capitalization Approach, are estimates only, and are based on past operating history if available, and are stabilized as generally typical over a reasonable time period.

13. The appraisers are not required to give testimony or appear in court because of having made this appraisal, with reference to the property in question, unless arrangements have been made previously hereto. If the appraisers are subpoenaed pursuant to court order, the client will be required to compensate said appraisers for their time at their regular hourly rates plus expenses.

14. All opinions, as to values stated, are presented as the appraisers' considered opinion based on the information set forth in the report. No responsibility is assumed for changes in market conditions or for the inability of the client or any other party to achieve their desired results based upon the appraised value. Further, some of the assumptions made can be subject to variation depending upon evolving events. Some assumptions may never occur and unanticipated events or circumstances may occur. Therefore, actual results achieved during the projection period may vary from those in the report.

15. The appraisal is made subject to satisfactory completion of construction, repairs, alterations, remodeling and rehabilitation, and is contingent upon completion of such work in a timely manner using good quality materials and workmanship and in substantial conformity to plans or descriptions or attachments made hereto.

16. It is assumed that the construction and use of the appraised property, complies with all public authorities having jurisdiction, including but not limited to the National Environmental

Policy Act and any other applicable federal, state, municipal, and local environmental impact or energy laws or regulations.

17. Areas and dimensions of the property may or may not have been physically measured. If furnished by the principal or from plot plans or surveys furnished by the principal, or from public records, areas and dimensions are assumed to be reasonably accurate. In the absence of current surveys, land areas may be based upon representations made by the owner's agents or the client. No responsibility is assumed for discrepancies, which may become evident from a licensed survey of the property.

18. It is agreed that the liability of the appraisers to the client is limited to the amount of the fee paid as liquidated damages. The responsibility of the appraiser is limited to the client, and use of this appraisal by third parties shall be solely at the risk of the client third parties.

19. A signatory of this appraisal report is a member or candidate for membership of the Appraisal Institute. The Bylaws and Regulations of the Appraisal Institute require each member and candidate to control the use and distribution of each appraisal report signed by such member or candidate. Therefore, except as hereinafter provided, the party for whom this appraisal report was prepared may distribute copies of this appraisal report, in its entirety, to such third parties as may be selected by the party for whom this was prepared. Selected portions of this appraisal report, however, shall not be given to third parties without prior written consent of the signatories of this appraisal report. Further, neither all nor any part of this appraisal report shall be disseminated to the general public by the use of advertising media, public relations media, news media, sales media or other media for public communication without the prior written consent of the signatories of this appraisal report. This restriction applies particularly as to the valuation conclusions, the identity of the appraisers, or any reference to the Appraisal Institute or the MAI designations.

20. Disclosure of the contents of this appraisal report is governed by the Bylaws and Regulations of the Appraisal Institute.

21. The Americans with Disabilities Act (ADA) became effective on January 26, 1992. A detailed analysis of the subject and the ADA could reveal that the property is not in compliance with one or more of the regulations of the act, which could have a negative impact on the value of the subject. However, since no evidence of compliance was provided, and a comprehensive survey of compliance is beyond the scope of the assignment, the possible non-compliance of the subject has not been considered in estimating the Market Value in this report.

Purpose

The purpose of the assignment is to estimate the current market value "As Is" of Unit 2, the current market value "As Is" of a 2,982-square foot portion of Unit 1, and the market value "As Complete" of the new Unit 2 including 69 units of studio housing within three floors. The valuation scenarios will be subject to existing and proposed conditions, operation, restrictions and the current market. The appraisal will be prepared for your exclusive use for due diligence assistance and loan underwriting.

Scope of the Appraisal

The scope of this appraisal includes the review of the physical characteristics of the property and the current condition of the related markets, inspecting the property, collecting market characteristics and trends, analyzing property data, and arriving at a conclusion of the property's Market Value. Consideration has been paid to each of the three approaches to value including the income capitalization, sales comparison and replacement cost approaches. Market inquiries and Kirk & Company files have been used to determine Market Value. The specific methodology of data collection and analysis, verification and valuation is detailed within this report.

Intended Use of the Appraisal

This appraisal report has been prepared for the exclusive use of Beverly Bank, and their designees to assist in due diligence, and loan decision making. Our conclusions, analysis, or appraisal report shall not be used or included in a solicitation, prospectus or offering to prospective investors, limited partners, members or shareholders in a real estate syndicate, real estate investment trust, limited partnership or other investment vehicle.

Property Rights Appraised

The property is currently subject to 45 short term leases that do not constitute a long-term leashold. Because of the short-term nature of the leases, the fee simple estate is appraised. Definitions of fee simple estate, leased fee estate, and leasehold interest follow.

> **Fee Simple Estate**
> Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.[1]

[1] *The Dictionary of Real Estate Appraisal, Sixth Edition*, Appraisal Institute, Chicago, IL 2015 Page 90

Leasehold Interest
The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.[2]

Leased Fee Estate
The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.[3]

Effective Date of Value Estimate

The subject site and improvements were last inspected on November 1, 2017. The date of this report is January 3, 2018 and the effective date of the valuation in this report is December 21, 2017.

Exposure and Marketing Time

According to the Dictionary of Real Estate Appraisal (sixth edition) exposure time is the estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market. Additionally, marketing time is defined as an opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. The subject property is extremely well positioned within the neighborhood. The property is well established within the market, benefits from high exposure and visibility and accordingly, it is reasonable to assume an exposure and marketing time of approximately six months due to the transaction volume of comparable properties within the market at the time and general market conditions for similar properties within the market.

Definition of Value

"Market Value" means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;

[2] *The Dictionary of Real Estate Appraisal, Sixth Edition*, Appraisal Institute, Chicago, IL 2015 Page 128
[3] *The Dictionary of Real Estate Appraisal, Sixth Edition*, Appraisal Institute, Chicago, IL 2015 Page 128

- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.[4]

Identification of the Property

The subject property includes a condominium unit within the Beverly YMCA building on a single piece of land located at 245 Cabot Street in downtown Beverly, MA. According to the Beverly Assessor's Office, the subject property consists of one parcel of land of approximately 10,190 square feet improved with a two-unit condominium building. The property is further identified by the Beverly Tax Assessor's Office as parcel 11-458-2, as indicated by the map below.

History of the Property

[4]Federal Register, Document 75 FR 77449, December 10, 2010, Appendix D – Glossary of Terms

The subject is an existing 45-unit SRO housing development that the developers propose to expand and renovate to include 69 units of affordable studio housing within the existing building. It is assumed for the purposes of this analysis that the current unit affordability is restricted to 60% of the Area Median Income (AMI) for the area and can be rented to residents with incomes up to 60% of the AMI. The property is operated by a mission-driven community non-profit entity and provides additional and elective staffing and services, over and above what is typically provided within the market and sets rent levels far below what is achievable within the market and current and historical income is not considered a reasonable estimate of operations for valuation purposes. The existing units are currently restricted to residents earning less than 60% of Area Median Income (AMI) and the redevelopment scenario calls for 20 units to be reserved for and restricted to individuals at or below 30% AMI, 30 will be reserved for and restricted to individuals at or below 50% AMI, and 15 units will be reserved for and restricted to individuals at or below 60% AMI. In addition, 10 units are proposed to be set aside for formerly homeless individuals, and 10 units are proposed to be set aside for DMH clients via Northeast Arc. This unit mix will allow the YMCA to continue serving its existing very low income population, and to create new housing opportunities for at-risk populations. A new, full-time case worker will be available to all residents for help with accessing services. Units will be approximately 250 square feet, newly constructed and include high quality construction and finishes.

The subject property at 245 Cabot Street Beverly, MA consists of 45 existing SRO affordable housing units within a single condominium unit (unit 2) at the property. Current unit sizes are approximately 150 square feet on an As Is basis. The borrower intends to acquire unit 2 and a small portion of unit 1 (2,982+- square feet) and intends to redevelop the property into 69 affordable studio units of approximately 200-250 square feet. The existing 45 units in the condominium units were originally designed with shared kitchens, and the very small units do not have individual cooking facilities, limiting residents' self-sufficiency. The existing units are generally small and the project lacks common spaces, hindering interaction amongst residents. The building is aging, systems are in need of updating, and finishes need replacement. The units are on floors two and three of the downtown Beverly YMCA headquarters building and current resident access is via stairs. There is no dedicated elevator for residential access. The redevelopment plans include the addition of dedicated elevator service to the residential floors.

The proposed redevelopment will rebuild and enlarge the existing 45 units, updating private bathrooms and adding a kitchenette and a storage space to every unit. In addition, the housing will capture additional square footage: a portion of the existing gymnasium space would be infilled, and a new, fourth floor will be added to the top of the existing building and replacing squash courts which are currently on the roof. This new square footage allows for an additional 24 units to be built, bringing the total up to 69 units. New common spaces including upper-floor laundry rooms and a large meeting room and lounge will also be added. High efficiency mechanical systems will be used, water-saving plumbing fixtures will be added, and Energy Star appliances installed.

The proposed Cabot Housing redevelopment is a combination of renovation and new construction, and will transform the existing 45 single room occupancy units, and add an additional floor to the existing building, and create 24 additional units of studio apartments for a total of 69 studio units in downtown Beverly. The project will continue to serve low income individuals, with the majority of units for individuals at or below 50% AMI. In addition to the existing 15 MRVP vouchers, an additional eight MRVP vouchers are proposed, in order to support the very low income population.

Of the 69 units at the property, 20 will be reserved for and restricted to individuals at or below 30% AMI, 38 will be reserved for and restricted to individuals at or below 50% AMI, and 11 units will be reserved for and restricted to individuals at or below 60% AMI. In addition, 10 units are proposed to be set aside for formerly homeless individuals, and 10 units are proposed to be set aside for DMH clients via Northeast Arc. This unit mix will allow the YMCA to continue serving its existing very low income population, and to create new housing opportunities for at-risk populations. A new, full-time case worker will be available to all residents for help with accessing services.

The subject property was most recently conveyed by Cabot Affordable Housing LP to YNS Affordable Housing Inc. on January 29, 2013 for the sum of $10. The sale is recorded in the Essex County Registry of Deeds in Book 32158, Page 342. No sales of the property have occurred within the last three years. The subject property is subject to a master condominium deed and various affordability restrictions covering the 45 existing and 69 proposed residential units, however for they were not available for the appraisers to review for this assignment.

PART II: DESCRIPTIONS, ANALYSIS AND VALUE CONCLUSIONS

Property Description

The subject is an existing 45-unit SRO housing development that the developers propose to expand and renovate to include 69 units of affordable studio housing within the existing building. The existing units are currently restricted to residents earning less than 60% of Area Median Income (AMI) and the redevelopment scenario calls for 20 units to be reserved for and restricted to individuals at or below 30% AMI, 30 will be reserved for and restricted to individuals at or below 50% AMI, and 15 units will be reserved for and restricted to individuals at or below 60% AMI. In addition, 10 units are proposed to be set aside for formerly homeless individuals, and 10 units are proposed to be set aside for DMH clients via Northeast Arc. This unit mix will allow the YMCA to continue serving its existing very low income population, and to create new housing opportunities for at-risk populations. A new, full-time case worker will be available to all residents for help with accessing services. Units will be approximately 250 square feet, newly constructed and include high quality construction and finishes.

The subject property at 245 Cabot Street Beverly, MA consists of 45 existing SRO affordable housing units within a single condominium unit (unit 2) at the property. The borrower

intends to acquire unit 2 and a small portion of unit 1 (2,982+- square feet) and intends to redevelop the property into 69 affordable studio units. The existing 45 units in the condominium units were originally designed with shared kitchens, and the very small units do not have individual cooking facilities, limiting residents' self-sufficiency. The existing units are generally small and the project lacks common spaces, hindering interaction amongst residents. The building is aging, systems are in need of updating, and finishes need replacement. The units are on floors two and three of the downtown Beverly YMCA headquarters building and current resident access is via stairs. There is no dedicated elevator for residential access. The redevelopment plans include the addition of dedicated elevator service to the residential floors.

The proposed redevelopment will rebuild and enlarge the existing 45 units, updating private bathrooms and adding a kitchenette and a storage space to every unit. In addition, the housing will capture additional square footage: a portion of the existing gymnasium space would be infilled, and a new, fourth floor will be added to the top of the existing building and replacing squash courts which are currently on the roof. This new square footage allows for an additional 24 units to be built, bringing the total up to 69 units. New common spaces including upper-floor laundry rooms and a large meeting room and lounge will also be added. High efficiency mechanical systems will be used, water-saving plumbing fixtures will be added, and Energy Star appliances installed.

The proposed Cabot Housing redevelopment is a combination of renovation and new construction, and will transform the existing 45 single room occupancy units, and add an additional floor to the existing building, and create 24 additional units of studio apartments for a total of 69 studio units in downtown Beverly. The project will continue to serve low income individuals, with the majority of units for individuals at or below 50% AMI. In addition to the existing 15 MRVP vouchers, an additional eight MRVP vouchers are proposed, in order to support the very low income population.

Of the 69 units at the property, 20 will be reserved for and restricted to individuals at or below 30% AMI, 38 will be reserved for and restricted to individuals at or below 50% AMI, and 11 units will be reserved for and restricted to individuals at or below 60% AMI. In addition, 10 units are proposed to be set aside for formerly homeless individuals, and 10 units are proposed to be set aside for DMH clients via Northeast Arc. This unit mix will allow the YMCA to continue serving its existing very low income population, and to create new housing opportunities for at-

risk populations. A new, full-time case worker will be available to all residents for help with accessing services.

Source: Google maps

Regional Economy

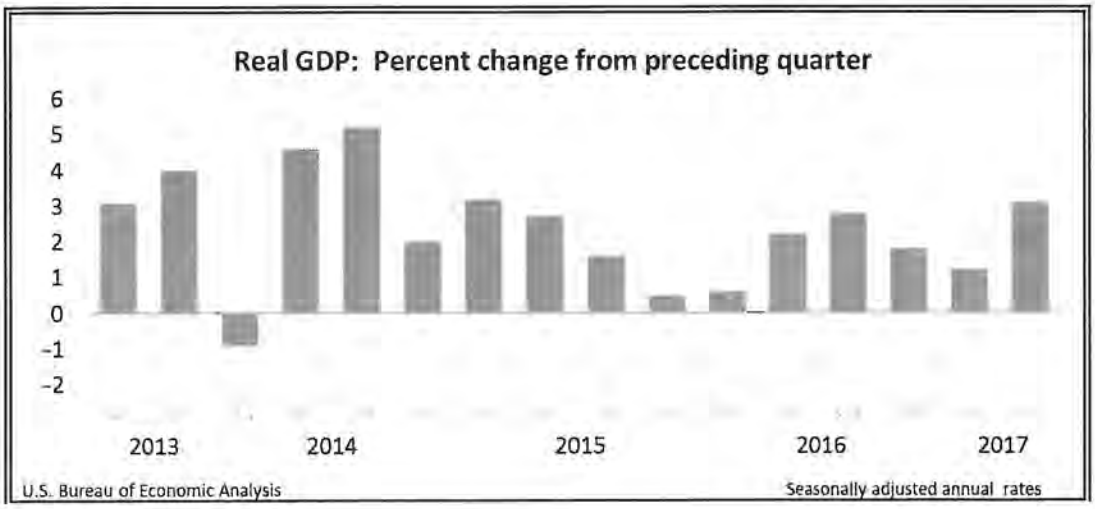
The City of Beverly is one of the oldest communities in Massachusetts and is reported to be the birthplace of the United States Navy, noting that the first ship commissioned by the Navy first sailed from Beverly Harbor. Beverly is home to Endicott College and a campus of the public North Shore Community College as well as the site of the North Shore Music Theatre. Beverly is located in Northeastern Massachusetts, bordered by Danvers on the west, Wenham on the north and east, Wenham and Manchester on the east, and Beverly Harbor and the Danvers River on the south. Beverly is approximately 7 miles north of Lynn; 18 miles north of Boston; and 88 miles south of Portland, Maine.

The principal highway through Beverly is State Route 128, the circumferential highway around Boston, which passes through the city from east to west. Other important roads include State Routes 22 and 127. Commuter rail service to North Station, Boston, is available from Beverly Farms (travel time: 42-49 min.; 25 MBTA parking spaces), Prides Crossing (travel time: 40-47 min.; 6 spaces), Montserrat (travel time 35-41 min.; 101 spaces), North Beverly (travel time: 42-44 min.; 82 spaces), and Beverly Depot (travel time 30-37 min.; 200 spaces). Additionally, Beverly is a member of the Massachusetts Bay Transportation Authority (MBTA), which provides

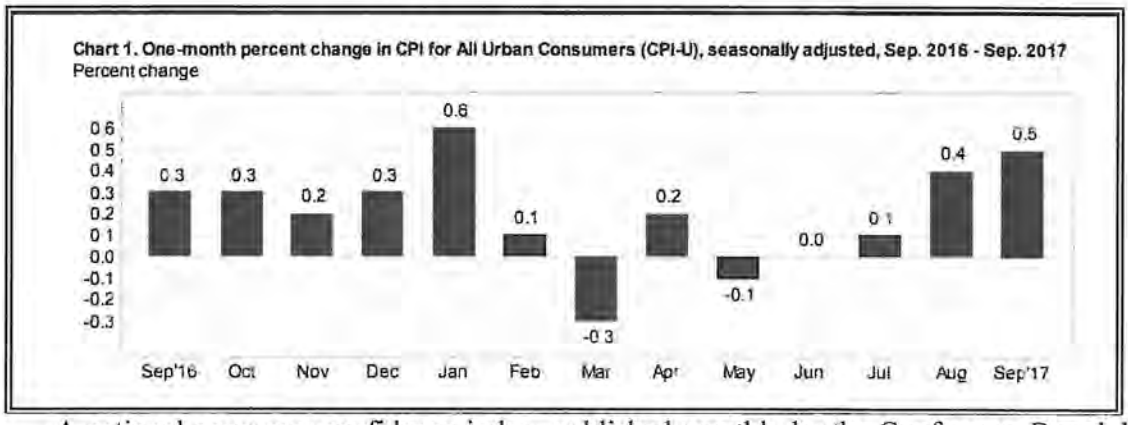
fixed route bus service to North Beverly and Salem Depot. The MBTA also provides THE RIDE, a paratransit service for the elderly and disabled.

Nationally and regionally economic conditions have improved over the past 12 months after the severe economic crisis. Recent improvements in both the national the regional economy indicate signs of recovery and overall general improving economic conditions. The Federal Reserve Board (Fed), in its September 6, 2017 publication of the Beige Book, for the Boston (First) District, reported that business contacts indicated that economic activity in the First District expanded modestly to moderately through mid-summer, with both retailers and manufacturers mostly reporting increases in revenues compared with a year earlier. Most staffing firms, by contrast, cited revenue declines attributed to tight labor supply. Commercial real estate markets were mixed across the region, with little change in leasing fundamentals and some loosening of commercial sales markets. Residential real estate markets in the region continued to experience increases in prices and declines in sales. Most responding firms cited a positive outlook.

According to estimates released by the U.S. Commerce Department's Bureau of Economic Analysis (BEA), the gross domestic product (GDP) increased 3.1% in the second quarter 2017 after increasing 1.2% in the first quarter of 2017. The increase in real GDP in the second quarter primarily reflected positive contributions from personal consumption expenditures (PCE), nonresidential fixed investment, exports, and federal government spending that were partly offset by negative contributions from private residential fixed investment, private inventory investment, and state and local government spending. Imports, which are a subtraction in the calculation of GDP, increased.



The consumer price index (CPI), as reported by the U.S. Department of Labor, was up 0.5% in September according to the most recent report of October 13, 2017. The CPI for the nation has increased 2.2% over the past 12 months before seasonal adjustment. According to the Bureau of Labor Statistics, the gasoline index increased 13.1% in September and accounted for about three-fourths of the seasonally adjusted all items increase. Other major energy component indexes were mixed, and the food index rose slightly. The index for all items less food and energy increased 0.1% in September. The shelter index continued to increase, and the indexes for motor vehicle insurance, recreation, education, and wireless telephone services also rose. These increases more than offset declines in the indexes for new vehicles, household furnishings and operations, medical care, and used cars and trucks. The all items index rose 2.2% for the 12 months ending September; the 12-month change has been accelerating since it was 1.6% in June. The 12-month change in the index for all items less food and energy remained at 1.7% for the fifth month in a row. The energy index rose 10.1% over the past 12 months, its largest 12-month increase since the period ending March 2017. The food index increased 1.2% over the last year.



A national consumer confidence index, published monthly by the Conference Board, has declined in September, after improving marginally in August as reported in their September 26, 2017 survey. The consumer confidence index currently stands at 119.8 which was down from 120.4 in August. The Conference Board reported, "Consumer confidence decreased slightly in September after a marginal improvement in August. Confidence in Texas and Florida, however, decreased considerably, as these two states were the most severely impacted by Hurricanes Harvey and Irma. Despite the slight downtick in confidence, consumers' assessment of current conditions remains quite favorable and their expectations for the short-term suggest the economy will continue expanding at its current pace."

Nationally, current mortgage rates are still hovering around historical lows. According to Bankrate, the average for a 30-year fixed conventional mortgage is currently 3.97% in the Boston, MA area, as indicated by the chart below. In the two weeks preceding the Fed action, interest rates were surveyed in the metropolitan Boston area and compared to surveyed rates from the week of November 23, 2016. Interest rates on consumer mortgages have steadily increased leading up to the Fed interest rate hike, as indicated by the charts below and currently stand 14 basis points above pre-hike levels.

Weekly mortgage survey

[illegible] survey of mortgage [illegible] October [illegible] 2017 Monthly [illegible] jumbo loan amount of [illegible] in the Boston area

	30-year fixed	15-year fixed	5-year ARM	30-year jumbo
This week's rate:	3.97%	3.20%	3.49%	4.00%
Change from last week:	+0.01	+0.06	N/C	N/C
Monthly payment:	$784.88	$1,155.40	$740.00	$2,854.94
Change from last week:	+$0.95	+$4.81	N/C	N/C

Real Estate Market

Both nationally and in Massachusetts, economic fundamentals continue to improve, however, at a modest continual pace. The nation has experienced a slower recovery pace since the recovery began and has yet to fully recover to below-crash levels with elevated unemployment and sluggish economic growth.

Marcus & Millichap 2017 Boston Multifamily Investment Forecast indicated that the formation of new households will underpin substantial net absorption in Boston this year and maintain low vacancy across the metro. Expansions in the education, tech and healthcare fields are driving hiring and enlarging the pool of prospective renters, helping to absorb new apartment stock. Projects in east Boston, the Seaport District and several towns that surround the city form the focus of developers and account for a considerable portion of completions this year. New stock could relieve some pent-up demand that has developed, helping minimize the upward pressure on the vacancy rate and keeping it near historic lows. Low vacancy rates across all asset classes support consistent rent growth, with the metrowide average effective rent increasing in the 5% range for the fourth consecutive year. Concession use may increase slightly as new units come online.

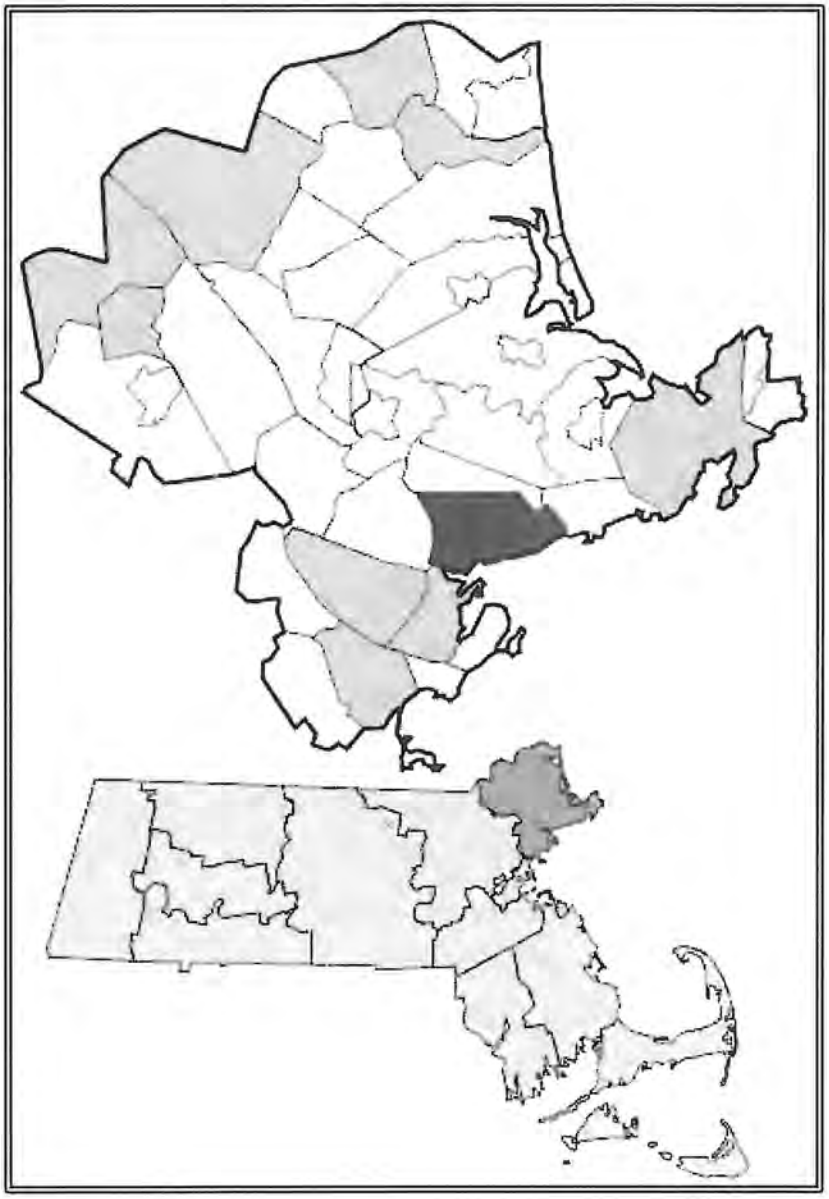
Investors will broaden their investment parameters in order to obtain desired yields in Boston, heating up competition for all apartment classes. Overall, assets can trade at cap rates in the 5% area metrowide, with properties in core areas trading at less than 4%. After an influx of completions last year, this year's easing output will reduce the availability of marketed upper-tier properties. Investor demand will exceed listings, triggering intense bidding and pressuring prices. As a result, some buyers will also move down the quality tier or to outlying geographies as competition increases. Some local investors will target such assets to obtain yields that can hover100 basis points above the average, seeking properties as far out as the I-495 loop while also scouring the metro for value-add opportunities.

Additionally, according to the *Marcus & Millichap Multifamily Report* for the Boston Metro Area, competition and record asset pricing appear unlikely to dampen buyer demand for rental properties in the metro. Investors' desire for product in downtown Boston, the Fenway neighborhood and the city's Seaport District will persist, with the significant gap between Class A and Class B/C rents suggesting upside remains in the lower-tier asset sectors. Depending on quality, properties in the city's core will trade with cap rates in the mid-4% range and occasionally at less than 4%. Assets in outlying suburbs remain attractive to investors searching for higher yields. These surrounding locales offer a host of Class B/C properties that trade at 100 basis points above the metro norm. Outlying submarkets also boast tight vacancy and rising rents. Overall, investor demand should exceed listing volume this year despite a likely increase in owners taking advantage of record pricing and low interest rates to test the transaction market.

Overall, sources of capital are available within the market and interest rates and financing terms are generally favorable, however, financing sources are underwriting risk more cautiously than in past marks, putting a high premium on cash-on-cash return analysis versus pro-forma underwriting and weighing reserves for tenant improvements and vacancy and turnover. Major regional banks such as Eastern Bank, Cambridge Savings, and Brookline Savings are active within the market and issuing non-recourse debt for quality assets with well-capitalized sponsors.

Additionally, national and international banks and insurance companies have been active participants in Boston and Suburban property underwriting and acquisition.

Source: Wikipedia.com



Employment

In Massachusetts, the labor force has increased steadily over the past 12-, 24-, and 36-month periods and employment levels have also increased at similar rates, however outpacing labor force growth; indicating a sign of improving conditions. Generally, the same is true in the town of Nantucket as well, however, growth has slowed within the last 12 months. The seasonally unadjusted unemployment rate in Massachusetts as of October 2017 was 3.3%, 2.8% as of October 2016, and 4.3% as of October 2015. The unadjusted national unemployment rate was 3.9% in October 2017. Improvements have been made in the past 12-months showing signs of recovery and eventual returns to pre-recession levels. The town of Nantucket has unemployment levels, which have been historically very low when compared to that of the Commonwealth of Massachusetts and region. The outlook for improving employment conditions remains cautiously optimistic as the Massachusetts economy continues to outperform the nation, however, at an increasingly moderate pace.

Transportation

The principal highway through Beverly is State Route 128, the circumferential highway around Boston, which passes through the city from east to west. Other important roads include State Routes 22 and 127. Commuter rail service to North Station, Boston, is available from Beverly Farms (travel time: 42-49 min.; 25 MBTA parking spaces), Prides Crossing (travel time: 40-47 min.; 6 spaces), Montserrat (travel time 35-41 min.; 101 spaces), North Beverly (travel time: 42-44 min.; 82 spaces), and Beverly Depot (travel time 30-37 min.; 200 spaces). Additionally, Beverly is a member of the Massachusetts Bay Transportation Authority (MBTA), which provides fixed route bus service to North Beverly and Salem Depot. The MBTA also provides THE RIDE, a paratransit service for the elderly and disabled.

Massachusetts benefits from a broad-based and well-established transportation network. Logan International Airport, located in the city of Boston, is one of the country's most active terminals serving both domestic and international travelers. A large interstate highway system connects Massachusetts with the rest of New England and the country. Interstate 95 connects with State Route 128 and forms the inner loop around Boston, while Interstate 495 forms the outer loop, both of which run in a generally north-south direction. The Massachusetts Turnpike (Interstate 90) originates in Boston and connects the city with points west and upstate New York. The John F. Fitzgerald Expressway (the Central Artery) runs north-south through Boston and connects the

north and south shores. The Central Artery Project has expanded and depressed the Southeast Expressway and connects the Massachusetts Turnpike to Logan Airport through the Ted Williams Tunnel in an effort to ease traffic congestion and beautify the city of Boston.

Conclusion

Economic activity in the U.S. continues to improve; however, the economic growth of the nation can be characterized as modest as the economy of the nation is in recovery. Employment, GDP, investment spending, consumer confidence, and availability of capital for investment are slowly showing signs of improvement. On December 15, 2015, the Federal Reserve Bank decided to increase the target range for the federal funds rate to 0.25% to 0.50%. The Committee judged that there had been considerable improvement in labor market conditions throughout the year, and it was reasonably confident that inflation would rise, over the medium term, to its 2% objective. Given the economic outlook, and recognizing the time it takes for policy actions to affect future economic outcomes, the Committee decided to raise the target range for the federal funds rate. At the most recent meeting of October 31, 2017, the Fed reported that information received since the Federal Open Market Committee met in September indicates that the labor market has continued to strengthen and that economic activity has been rising at a solid rate despite hurricane-related disruptions. Although the hurricanes caused a drop in payroll employment in September, the unemployment rate declined further. Household spending has been expanding at a moderate rate, and growth in business fixed investment has picked up in recent quarters. Gasoline prices rose in the aftermath of the hurricanes, boosting overall inflation in September; however, inflation for items other than food and energy remained soft. On a 12-month basis, both inflation measures have declined this year and are running below 2 percent. Market-based measures of inflation compensation remain low; survey-based measures of longer-term inflation expectations are little changed, on balance.

Real estate recoveries are driven mainly by employment growth and when GDP, and the labor markets begin to add jobs again, the real estate markets can begin to recover. Real estate recoveries are driven mainly by employment growth and when GDP, and the labor markets begin to add jobs again, the real estate markets can begin to recover.

Source: Google Maps

Neighborhood Description

The subject site is located at 245 Cabot Street in the Downtown neighborhood of Beverly, MA. They both include a variety of small commercial, retail, and residential uses. Community facilities and services are plentiful and convenient to the subject site. The mixed-use character of the surrounding area is attributable to its historic nature, proximity to the transportation nodes and local employment, which provide residents with access to regional employment and services.

The location of this project is in downtown Beverly, within walking distance of many services and amenities. In addition, it is less than a half-mile walk to the Beverly Depot MBTA commuter rail station, and both the MBTA bus and the CATA bus run in front of the building, along Cabot Street. The project is transit-oriented project, and embodies many smart growth principles: reuse of an existing building, high density in a downtown location, walking distance to amenities, and access to transit. This project presents an opportunity to increase access to housing for very low income and at-risk individuals within the desirable downtown Beverly location.

Access

The site has various vehicular and pedestrian access via Cabot Street and Church Street to the rear of the property. The majority of the prospective residents will likely be employed in the employment centers surrounding the property. The subject site is conveniently located to central

transportation nodes and public transportation routes, enhancing access to these employment centers.

Visibility

Because of the size, location, and access of the existing building redevelopment, the site has excellent visibility within the community. Pedestrian visibility is good and the sites are highly visible to passersby in vehicles and on foot due to the concentration of uses within the neighborhood.

Site Qualities

The property includes 10,190 square feet and is irregularly shaped. The topography of the subject neighborhood is generally flat with areas of modest upward or downward slope. In addition to the site's proximity to employment centers and major roadways, the site will offer landscaped areas, surface parking, and sitting areas that will enhance marketability.

Legal Restrictions

The use of the subject property is restricted by local zoning regulations and affordable regulator restrictions. The subject is located within an area of minimal flooding yields no restrictions that impact the site.

Zoning Analysis

The subject property is located within the Central Business (CC) subdistrict. The CC Central Business District was established to provide principally for a central commercial business district. According to the Beverly Zoning Code, as-of-right uses include:

§ 300-40. CC Central Business District. [Amended 6-11-2007 by Ord. No. 35]

A. General description. The CC Central Business District is established to provide principally for a central commercial business district.

B. Uses by right. Property and buildings shall be used only for the following purposes:

(1) Detached one-family dwelling.

(2) Semidetached and two-family dwelling.

(3) Mixed-use building containing both commercial and residential (multifamily dwelling) uses, provided: **[Amended 6-26-1987; 7-31-2017 by Ord. No. 374A]**

(a) In the Core Pedestrian Area (as defined in § 300-5), 100% of the ground floor facing the primary street shall be occupied by an activated ground floor use (as defined in § 300-5) and the use(s) shall meet the activated ground floor design standards in § 300-40I. If a specific use is listed separately under § 300-40C, the special permit still applies.

(b) Outside the Core Pedestrian Area (as defined in § 300-5), the ground floor facing the primary street shall be designed to accommodate an activated ground floor use (as defined in § 300-5) and to meet the activated ground floor design standards in § 300-40I in anticipation of future market demand for nonresidential uses. However, while activated ground floor uses are encouraged, residential uses, including residential units, and any other use permitted by right, may be located on the ground floor. If a specific use is listed separately under § 300-40C, the special permit still applies.

(4) Subsidized elderly housing, subject to the provisions of Subsection D below.

(5) Historic site including historic dwellings, or museum not operated for profit.

(6) Sanitary landfill facilities, provided that the same are operated by the municipality, or pursuant to a municipal lease or license.

(7) Home occupation as defined herein.

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(8) Retail establishments.

(9) Personal and consumer service establishments, including, but not limited to, barber or beauty shop and laundromat.

(10) Business and professional offices; banks.

(11) Funeral home.

(12) Restaurant selling food for consumption entirely on the premises.

(13) Agriculture, horticultural, and floricultural uses and expansion or reconstruction of existing structures relating thereto, with a minimum lot size of 5,000 square feet. **[Amended 6-26-1987]**

(14) Administrative offices, data processing centers, and laboratory for scientific and industrial research, including testing and product development. **[Amended 6-26-1987]**

(15) Printing and publishing establishment, including photostatic copying.

(16) Taxi, rail, bus passenger terminal.

(17) Accessory buildings and uses required for and clearly incidental to the principal building or use are permitted.

(18) Those uses allowed by right under Article VI.

(19) Artist live/work, subject to the provisions of Article XVI. **[Added 4-19-2016 by Ord. No. 014]**

(20) Brewery, distillery, winery. **[Added 4-19-2016 by Ord. No. 014]**

C. Uses by special permit.

(1) The following uses are only allowed by special permit granted by the Planning Board:

(a) Multifamily dwelling, apartment house, or mixed-use building that does not meet the standards specified in § 300-40B(3); subject to Subsection H, Special requirements for multiple dwellings, if applicable. **[Amended 6-26-1987; 7-31-2017 by Ord. No. 374A]**

(b) Rooming, lodging, or boarding house.

(c) Gymnasium, health club, commercial swimming pool.

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(d) Other private or quasi-public club, charitable institution, or community service organization, except where the chief activity is a service customarily carried on as a business.

(e) Commercial marina for the sale, mooring, and rental of boats.

(f) Private, noncommercial stable.

(g) Hotel or motel.

(h) Place of commercial recreation such as a theater, bowling alley, roller skating rink or ice skating rink where the use is conducted entirely indoors. For purposes of this subsection, the term "commercial indoor recreation" does not include those uses regulated by MGL c. 140, § 183A. **[Amended 5-20-1993]**

(i) Essential public services such as transformer stations, substations, pumping stations, automatic telephone exchanges, not including outdoor vehicle or equipment storage.

(j) Parking lots or garages as a principal use of the lot.

(k) Those uses, including accessory uses, allowed by special permit under Article VI.

(l) Commercial mobile radio service transmission facilities, structures, and/or towers. **[Amended 6-11-1996 by Ord. No. 115]**

(m) Maker space. **[Added 4-19-2016 by Ord. No. 014]**

(2) The following uses are only allowed by special permit granted by the Board of Appeals:

(a) Bed-and-breakfast establishments. **[Amended 3-19-1991]**

D. Building and area requirements.

(1) Commercial uses, residential uses or combined commercial/residential uses on CC-zoned lots with side and/or rear yards abutting a residential zoning district:

(a) Minimum lot area: none for 100% commercial use; 1,000 square feet of total lot area per dwelling unit for residential use.

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(b) Minimum lot frontage: none for 100% commercial use; 50 feet for residential use.

(c) Minimum front yard setback: none

(d) Minimum side yard setback: 10 feet; 15 feet if building is over three stories for that side yard which abuts the side yard or rear yard of a residentially zoned lot.

(e) Minimum rear yard setback: 20 feet if the rear yard abuts a side yard or rear yard of a residentially zoned lot.

(f) Maximum building height: 55 feet when "RHD" is the abutting residential district; 35 feet when "RMD" or "R-6" is the abutting residential district.

(g) For commercial uses, residential uses or combined commercial/residential uses which abut residential zoning district by a public way with an average width of at least 25 feet or a railroad right-of-way of at least 25 feet there shall be no setback requirement.

(2) Residential uses which do not abut a residential zoning district:

(a) Minimum lot area: 1,000 square feet of total lot area per dwelling unit.

(b) Minimum lot frontage: 50 feet.

(c) Minimum front yard setback: 15 feet.

(d) Minimum side yard setback: 10 feet; 15 feet if over three stories.

(e) Minimum rear yard setback: 20 feet.

(f) Maximum height: 55 feet/75 feet. [Note: The Planning Board may authorize, by special permit, an increase in building height over 55 feet, to a maximum of 75 feet, for uses under Subsection D(2), (3), and (5) only, and only for lots zoned "CC overlay" on the official City Zoning District Map, and only when the provisions of Subsection G below are met.]

(3) Commercial uses which do not abut a residential district:

(a) Minimum lot area: none.

(b) Minimum lot frontage: none.

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(c) Minimum front yard setback: none.

(d) Minimum side yard setback: none.

(e) Minimum rear yard setback: none.

(f) Maximum height: 55 feet/75 feet. [Note: The Planning Board may authorize, by special permit, an increase in building height over 55 feet, to a maximum of 75 feet, for uses under Subsection D(2), (3), and (5) only, and only for lots zoned "CC overlay" on the official City Zoning District Map, and only when the provisions of Subsection G below are met.]

(4) Commercial or residential uses within structures existing at the time of the adoption of this chapter:

(a) Minimum lot area: none for commercial use; 1,000 square feet of total lot area per dwelling unit for residential uses.

(b) Minimum lot frontage: none.

(c) Minimum front yard setback: none.

(d) Minimum side yard setback: none.

(e) Minimum rear yard setback: none.

(f) Maximum height: 55 feet. **[Amended 6-6-1990; 7-1-1992]**

(5) Combined commercial/residential uses on lots with side and/or rear yards which do not abut a residential zoning district:

(a) Minimum lot area: none.

(b) Minimum lot frontage: 50 feet.

(c) Minimum front yard setback: none.

(d) Minimum side yard setback: none.

(e) Minimum rear yard setback: none.

(f) Maximum building height: 55 feet/75 feet. [Note: The Planning Board may authorize, by special permit, an increase in building height over 55 feet, to a maximum of 75 feet, for uses under Subsection D(2), (3), and (5) only, and only for lots zoned "CC overlay" on the official City Zoning District Map, and only when the provisions of Subsection G below are met.]

E. Parking requirements. **[Amended 7-12-2011 by Ord. No. 61]**

(1) Off-street parking shall be in accordance with the requirements set forth in Article X below, and with the parking requirements applicable to the Depot Parking Overlay District described in Subsection E(2) below.

(2) Having determined that a reduction in the parking requirement for two-bedroom dwelling units within walking distance of the Beverly MBTA Depot is reflective of actual demand and would be beneficial in encouraging "smart growth" residential development, the City of Beverly hereby establishes the Depot Parking Overlay District, which shall include those lots within the CC District south of Federal Street and having frontage on Rantoul Street. The Depot Parking Overlay District is shown on the official City of Beverly Zoning District Map. The off-street parking requirement for one- and two-bedroom dwelling units located in the Depot Parking Overlay District shall be one off-street parking space per dwelling unit.

F. Sign requirements. All signs in the CC District shall conform to the regulations set forth in Article XI below.

G. Special requirements.

(1) Screening of conflicting uses.

(a) At the time of occupancy of a new nonresidential use, or the expansion of the outside outline of an existing nonresidential use, of any lot in an industrial or commercial district, there shall be a bufferyard along each boundary which adjoins an R District or use.

(b) This bufferyard shall consist of landscaped plantings, including evergreens, the plantings to be of such height and density as is needed to adequately screen from view any light glare, parking lots, loading bays, accessory buildings or uses. Fences, walls, and earthen berms may be included as part of the bufferyard, but shall not be used in place of the landscaped screening.

(c) The adequacy of screening and landscaping shall be approved by the Building Inspector, after consultation with the Planning Board, and shall be incorporated in the Building Inspector's records. In the event a special permit or site plan review is required, the planting plan

shall be considered in this review. Required screening and landscaping shall be in good condition and appearance. Failure to maintain same shall be deemed a violation of this chapter and shall be subject to the enforcement procedures contained herein. **[Amended 6-26-1987]**

(2) The following provisions shall apply to those buildings in the CC District that are authorized by special permit from the Planning Board to exceed 55 feet in height:

(a) The perimeter of at-grade parking areas shall be screened from abutting properties and streets by a landscape buffer at least eight feet in width.

(b) During the special permit process, the Design Review Board shall have issued a finding that the design of the proposed development is consistent with the general intent of the City's Design Guidelines for Tall Buildings dated January 2007 and with the objectives embodied therein.

H. Special requirements for multiple dwellings. The development of multiple dwellings which includes townhouses shall be in accordance with the density and dimensional requirements of Subsection D above and the following: **[Amended 6-11-2007 by Ord. No. 35; 7-12-2011 by Ord. No. 61]**

(1) No multiple dwelling shall measure more than 125 feet on its long side; except that where front and rear setback offsets of at least three feet are provided at fifty-foot intervals, more or less, the length of said dwelling shall not exceed a length of 200 feet.

(2) In multiple dwelling groups, the minimum spacing between buildings shall be as follows:

(a) Front-to-front, front-to-rear, and rear-to-rear: 60 feet.

(b) End-to-end (with facing windows): not less than their average height.

(c) End-to-end (without facing windows) or corner-to-corner (offset): not less than 1/2 of their height.

(d) Front-to-rear siting shall be avoided if at all practicable.

(3) No multiple dwelling group nor any individual multiple dwelling shall be permitted unless provision shall be made for adequate snow removal and trash and garbage disposal.

(4) Sufficient enclosed area and equipment shall be provided within each multiple-family dwelling for laundering and drying purposes. No outside area shall be provided for such purposes, unless such area is enclosed by a solid screen of evergreen shrubs or fencing at least six feet high.

I. Activated ground floor development standards. The development of activated ground floor uses in the CC District shall be in accordance with the following standards, as well as the Beverly Downtown Design Guidelines and Design Guidelines for Tall Buildings, as applicable: **[Added 7-31-2017 by Ord. No. 374A]**

(1) Buildings shall extend across a minimum of 80% of the lot at the frontage on the primary street, allowing for vehicular and pedestrian circulation. Public open space at the sidewalk may be included in the 80% if a building is located behind it.

(2) No more than 25% of the ground floor space in the building facing the primary street can support any combination of residential lobby and residential circulation, private open space, and/or hotel/motel uses, in the Core Pedestrian Area.

(3) Uses on the ground floor shall have no less than 25 feet of building depth (or the full depth of the building, whichever is less).

(4) The floor-to-floor height of ground floors shall be no less than 12 feet in all mixed-use buildings in the CC District, regardless of residential use on the ground floor. Floor-to-floor heights may be adapted to accommodate grade changes along the street as necessary.

(5) In the Core Pedestrian Area, the glazing/transparency (windows) of the facade shall extend for 70% of the facade width, between two feet and 10 feet from the sidewalk grade. Dark tinting and completely covered windows should be avoided.

(6) On ground floors facing primary streets, doorways shall open directly to the sidewalk. Where permitted outside the Core Pedestrian Area, residential units on the ground floor may open to the sidewalk where feasible.

§ 300-40 § 300-40

(7) On buildings with a zero foot front setback, doorways shall be recessed, at a minimum distance equal to the swing of the door, to add visual character to the street and prevent doors from opening onto the sidewalk. Doorways on buildings with greater front setback may also consider a recessed doorway.

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The current use as an affordable SRO development and the proposed use as an affordable multifamily residential development are allowed under the current zoning code. The existing

development was constructed prior to existing zoning regulations; however appears to conform to current zoning and dimensional requirements. It is assumed, for the purposes of this assignment, that all necessary permits and approvals could be granted prior to construction and considered a legal use. The following tables highlight the dimensional requirements for the various sub-districts and overlays as determined by the city of Beverly.

ZONING

300 Attachment 1

City of Beverly

Beverly Land Use Schedule

KEY:
SP = special permit required
P = permitted use
* = subject to certain requirements

This schedule of uses is a summary of the requirements in Chapter 300 and is included only for ease of reference. In the event of inconsistencies between this schedule and the text of Chapter 300, the text shall be controlling.

Principal Uses	Zoning District																
	R-90	R-45	R-22	R-15	R-10	R-6	RMD	RHD	RSD	CN	CC	CG	IR	IG	HD	BHD	WDR
RESIDENTIAL USES																	
One family, detached	P	P	P	P	P	P	P	P	P	P	P						
Two family, detached						P	P	P	P	P	P						
*Multifamily							P	P	P		SP					P	P
*Multifamily Commercial										P	P	P					
Rooming, lodging, boarding home								SP			SP						
Planned residential development	SP	SP	SP	SP			SP		P								
Subsidized elderly housing	SP	SP	SP	SP	SP	SP	P	P	P	SP	P	SP	SP	SP	SP		
INSTITUTIONAL AND RECREATIONAL USES																	
Hospital, nursing home, ambulance depot															P		
Commercial health club, public pool								SP	P		SP	P				SP	SP

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BEVERLY CODE

Principal Uses	Zoning District																
	R-90	R-45	R-22	R-15	R-10	R-6	RMD	RHD	RSD	CN	CC	CG	IR	IG	HD	BHD	WDR
Golf, beach, tennis club	SP	SP							P								
Private, quasi-public, charitable club or community service organization								SP	SP	SP	SP	SP				SP	SP
Public recreational boating facilities												P					
Commercial marina	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP		P	P
Historic site or nonprofit museum	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P		
Private, noncommercial stable	SP	SP	SP	SP	SP	SP			SP	SP	SP	SP	SP	SP			
City-operated mortuary facility	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P		
COMMERCIAL USES																	
Bed and breakfast establishment	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP
Hotel or motel											SP	P	SP			SP	SP
Home occupation	P	P	P	P	P	P	P	P	P	P	P	P			P	P	P
Local retail establishment less than 5,000 square feet									P	P	P	P			P	SP	SP
Retail establishment											P	P			SP	SP	
Personal and consumer service									P	P	P	P			P	SP	SP
Business and professional office, medical clinic										P	P	P	P	P	P	SP	SP
Funeral home										P	P	P					
Restaurant, no take-out									P	SP	P	P	SP	SP	P	P	P

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ZONING

Principal Uses	Zoning District																
	R-90	R-45	R-22	R-15	R-10	R-6	RMD	RHD	RSD	CN	CC	CG	IR	IG	HD	BHD	WDR
Fast food establishment												P		SP			
Indoor commercial recreation											SP	P	SP			SP	SP
Gasoline station												SP					
Car truck, and RV sales, car wash												P					
*Animal hospital or kennel													SP	SP			
Commercial riding stable	SP	SP															
*Agricultural, horticultural and floricultural uses	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Commercial fishing, no processing																P	P
Artist live work							SP	SP		SP	P			SP		SP	SP
Brewery, distillery, winery										SP	P	SP	P	P		SP	SP
Maker space											SP	SP	P	P			
INDUSTRIAL, UTILITY, WHOLESALE AND TRANSPORTATION USES																	
Manufacturing, assembly, processing and packaging within building													P	P			
Research, development, and testing											P	P	P	P			
Printing and publishing											P	P	P	P			
Auto body, paint, or repair shop													SP	SP			
Contractor's or craftsmen's shop													P	P			

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BEVERLY CODE

Principal Uses	Zoning District																
	R-90	R-45	R-22	R-15	R-10	R-6	RMD	RHD	RSD	CN	CC	CG	IR	IG	HD	BHD	WDR
Warehouse, mini-storage, bottling plant, frozen food locker, wholesale establishment, ice manufacturing													SP	P			
*Open storage of new building materials													SP	P			
*Open or enclosed storage of coke, coal, sand or similar materials														SP			
*General industrial uses														P			
Motor or rail freight														SP			
Taxi, rail, or bus terminal										SP	P	P	P	P			
Public services (no outdoor storage)	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	P	P	SP	SP	SP
Utility company terminal enclosures	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Parking lot or garage as principal use											SP	SP	SP	SP		SP	SP
Commercial parking lot in residential zone when abutting commercial zone								SP									
Commercial public radio service transmission facilities, structures, towers	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	SP	

300 Attachment 1:3 05-01-2016

ZONING

300 Attachment 2

City of Beverly

Table of Dimensional Requirements

A comparative Table of Dimensional Requirements for each of the zoning districts described in §§ 300-30 through 300-46 of Chapter 300 is presented below. This table is presented for comparative purposes and shall not replace or supersede any requirements specifically set forth or referenced in §§ 300-30 through 300-46.

District	Minimum Lot Area	Frontage (feet)	Minimum Yards: Front (feet)	Minimum Yards: Sides (feet)	Minimum Yards: Rear (feet)	Maximum Height (feet)
R-90	90,000 square feet	225	30	20	25	35
R-45	45,000 square feet	175	30	20	25	35
R-22	22,000 square feet	150	30	15	25	35
R-15	15,000 square feet	125	30	15	25	35
R-10	10,000 square feet	100	30	15	25	35
R-6	6,000 square feet plus 1,000 square feet for one additional dwelling unit (d.u.)	65	20	10	25	35
RMD	8,000 square feet plus 4,000 square feet for additional d.u. over two	65	20	10	20	35
RHD	6,000 square feet plus 3,000 square feet for additional d.u. over two	50	15	10; 15 if over 3 stories	20	55
RSD	See § 300-7[1]					
CN	Same as least restrictive adjacent residential district					
CL	None	None	None	None	None	55
CG	10,000 square feet	80	30	15	15	35
IR	2 acres	225	30	20	25	60
IG	None	None	None	None	None	35; 70 if building is set back 400 feet
HD	10 acres	225	30	20	25	65
MHD	See § 300-45	None	5	25	20	35
WDR	See § 300-46	65	5	25	20	See § 300-46

NOTES:

- For CG-zoned lots with side and/or rear lot lines abutting residentially-zoned lots, setback and height requirements are the same as that abutting residential zone.
- See § 300-41D

Flood Zone

The subject property is located in Zone "X" floodplain on the Flood Insurance Rate Map (FIRM) 25009C0417G, dated July 16, 2014, published by the Federal Emergency Management Agency (FEMA). "Zone X" is defined as areas of 500 year flood; areas of 100-year flood with average depths of less than 1 foot or with drainage areas less than 1 square mile; and areas protected by levees from 100-year flood.

Taxes and Assessment Data Analysis

The property is subject to local real estate taxes from the city of Beverly. These taxes are based on the assessed value of the subject, as determined by the city. The current taxes encumbering the subject are based on the assessment for the fiscal year 2018 (FY18) at a rate of $13.60 per $1,000 for residential property types based on a 100% assessment. A review of the records at the Beverly assessor's office reveals that the subject is assessed and taxed as indicated on the following chart.

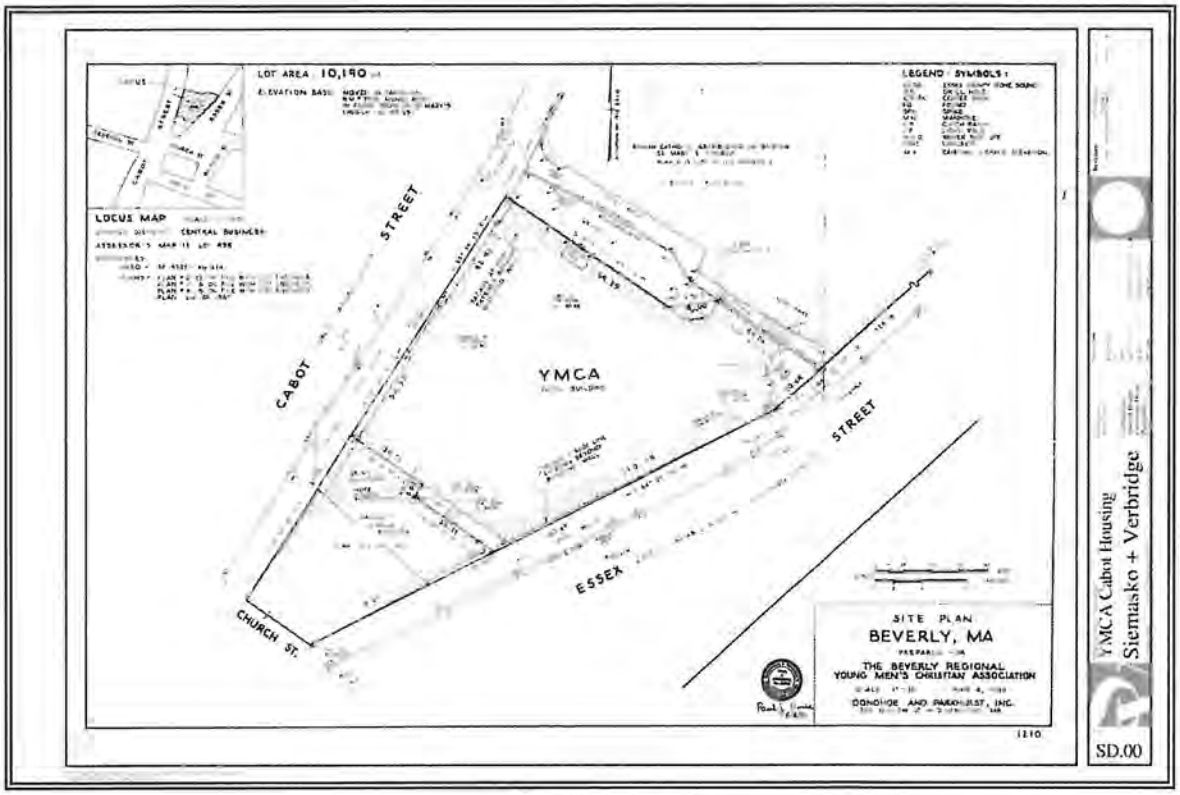
Real Estate Tax Assessment

Parcel ID	11-458-2	Total
Zoning District	CC	
FY17 Tax Rate	$13.60	$13.60
Land Value	$0	$0
Building Value	$1,256,100	$1,256,100
Extra Features	$0	$0
Yard Items	$0	$0
Total Value	$1,256,100	$1,256,100
Land Area (sq. ft.)	-	-
Land Assessment/sq. ft.	$0.00	
Building Area	13,000	13,000
Building Assessment/sq. ft.	$96.62	$96.62
Total Assessment/sq. ft.	$96.62	$96.62
Total FY17 Tax Burden	$17,083	$17,083
SF of Building Area		**13,000**
Tax Per SF		**$1.31**
Assessment Per SF		**$96.62**

Source: Beverly Assessor's Office

Residential Units	45
Tax Per Unit	$380
Assessment Per Unit	$27,913

In the fiscal year 2018 (FY18), the assessed value of the subject, as determined by the city of Beverly, is $1,256,100 and $27,913 per unit. The FY18 tax rate is $13.60 per $1,000 of assessed value, which equates to an estimated FY18 tax burden of $17,083 or $380 per unit for the property.



Site Description

The development is located within a condominium unit located at 245 Cabot Street in the Downtown neighborhood of Beverly, MA. The site includes 10,980 square feet of land area near the intersection of Cabot Street and Essex Street. The location of this project is in downtown Beverly, within walking distance of many services and amenities. In addition, it is less than a half-mile walk to the Beverly Depot MBTA commuter rail station, and both the MBTA bus and the CATA bus run in front of the building, along Cabot Street. The project is transit-oriented project, and embodies many smart growth principles: reuse of an existing building, high density in a downtown location, walking distance to amenities, and access to transit. This project presents an opportunity to increase access to housing for very low income and at-risk individuals within the desirable downtown Beverly location. The site is more specifically defined below.

Size:	10,980 square feet
Shape:	Irregular
Access:	Accessible via Cabot Street and Essex Street
Topography:	Generally level and at grade with street, with areas of slightly rolling topography

Utilities:	Water and sewer, electricity, telephone, cable
Soil conditions:	No survey of the soil condition of the subject property has been provided. It is assumed that the site has the capacity to support the existing improvements on the subject.
Easements:	None noted

Improvement Data and Analysis

The subject is an existing 45-unit SRO housing development that the developers propose to expand and renovate to include 69 units of affordable studio housing within the existing building. The existing units are currently restricted to residents earning less than 60% of Area Median Income (AMI) and the redevelopment scenario calls for 20 units to be reserved for and restricted to individuals at or below 30% AMI, 38 will be reserved for and restricted to individuals at or below 50% AMI, and 11 units will be reserved for and restricted to individuals at or below 60% AMI. In addition, 10 units are proposed to be set aside for formerly homeless individuals, and 10 units are proposed to be set aside for DMH clients via Northeast Arc. This unit mix will allow the YMCA to continue serving its existing very low income population, and to create new housing opportunities for at-risk populations. A new, full-time case worker will be available to all residents for help with accessing services. Units will be approximately 250 square feet, newly constructed and include high quality construction and finishes.

The subject property at 245 Cabot Street Beverly, MA consists of 45 existing SRO affordable housing units within a single condominium unit (unit 2) at the property. The borrower intends to acquire unit 2 and a small portion of unit 1 (2,982+- square feet) and intends to redevelop the property into 69 affordable studio units. The existing 45 units in the condominium units were originally designed with shared kitchens, and the very small units do not have individual cooking facilities, limiting residents' self-sufficiency. The existing units are generally small and the project lacks common spaces, hindering interaction amongst residents. The building is aging, systems are in need of updating, and finishes need replacement. The units are on floors two and three of the downtown Beverly YMCA headquarters building and current resident access is via stairs. There is no dedicated elevator for residential access. The redevelopment plans include the addition of dedicated elevator service to the residential floors.

The proposed redevelopment will rebuild and enlarge the existing 45 units, updating private bathrooms and adding a kitchenette and a storage space to every unit. In addition, the housing will capture additional square footage: a portion of the existing gymnasium space would be infilled, and a new, fourth floor will be added to the top of the existing building and replacing squash courts which are currently on the roof. This new square footage allows for an additional 20 units to be built, bringing the total up to 69 units. New common spaces including upper-floor laundry rooms and a large meeting room and lounge will also be added. High efficiency

mechanical systems will be used, water-saving plumbing fixtures will be added, and Energy Star appliances installed.

The proposed Cabot Housing redevelopment is a combination of renovation and new construction, and will transform the existing 45 single room occupancy units of approximately 150 square feet, and add an additional floor to the existing building, and create 24 additional units of studio apartments for a total of 69 studio units in downtown Beverly. The project will continue to serve low income individuals, with the majority of units for individuals at or below 50% AMI. In addition to the existing 15 MRVP vouchers, an additional eight MRVP vouchers are proposed, in order to support the very low income population.

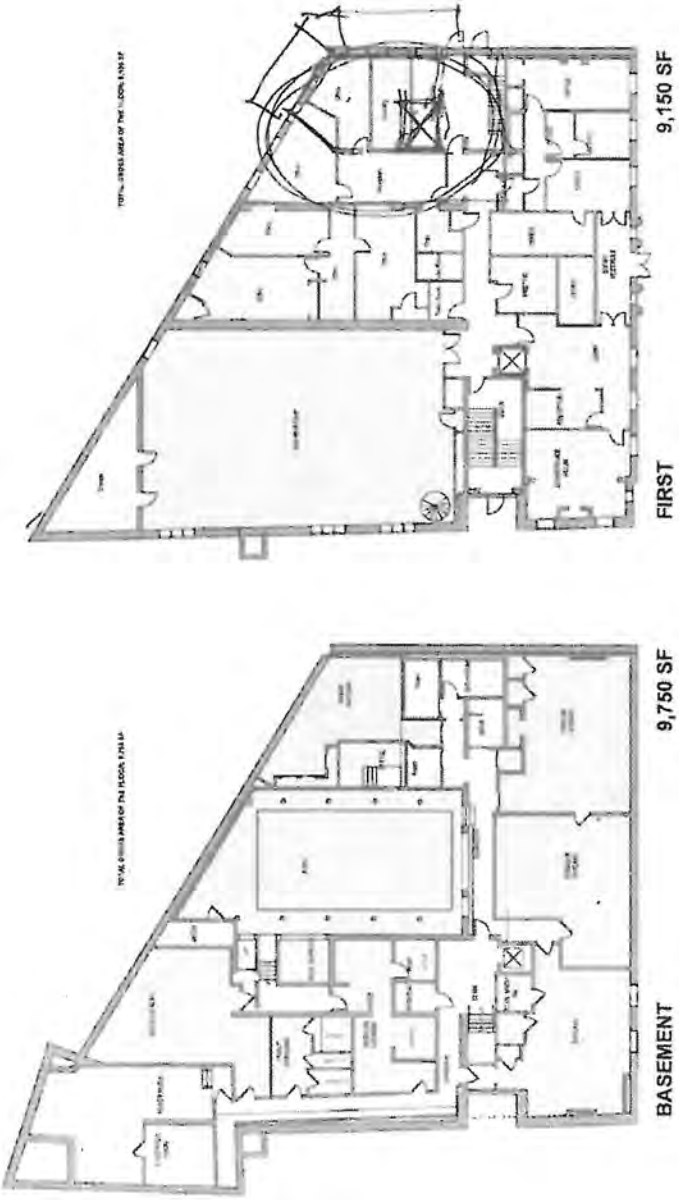
Of the 69 units at the property, 20 will be reserved for and restricted to individuals at or below 30% AMI, 38 will be reserved for and restricted to individuals at or below 50% AMI, and 11 units will be reserved for and restricted to individuals at or below 60% AMI. In addition, 10 units are proposed to be set aside for formerly homeless individuals, and 10 units are proposed to be set aside for DMH clients via Northeast Arc. This unit mix will allow the YMCA to continue serving its existing very low income population, and to create new housing opportunities for at-risk populations. A new, full-time case worker will be available to all residents for help with accessing services.

The property is located within a neighborhood with a mix of modest single-family residential, multifamily, and historic uses.

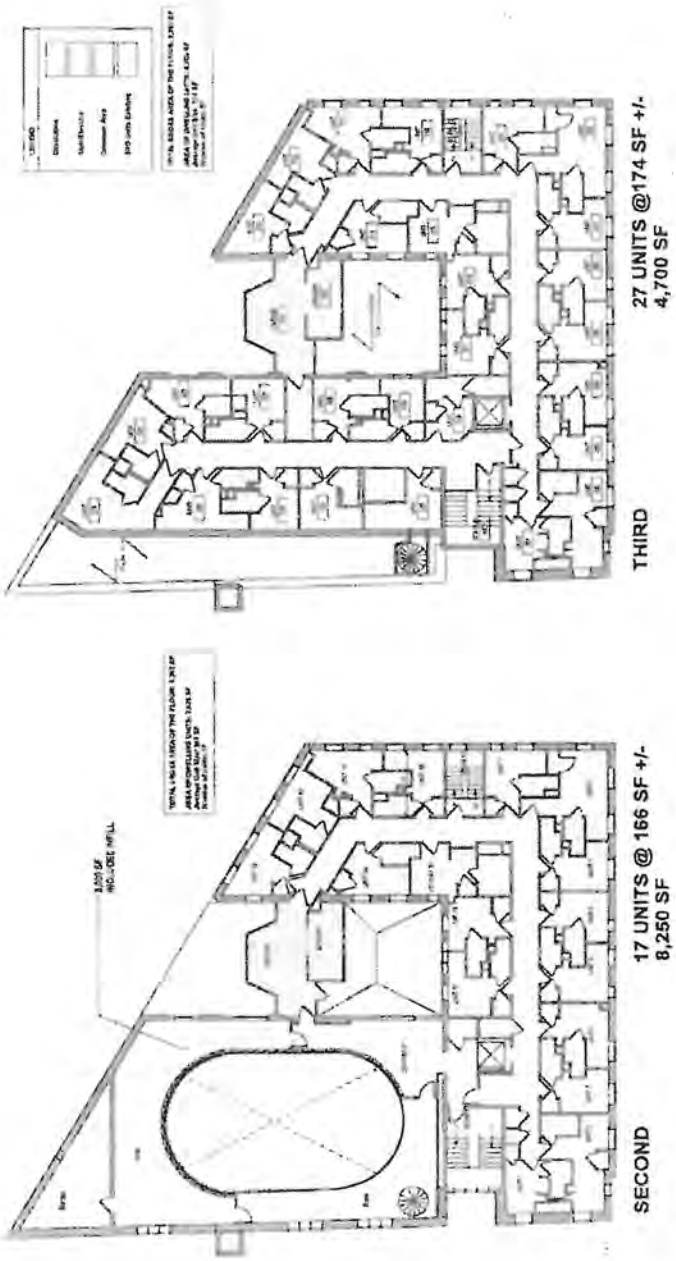
Structure:	Concrete foundations with wood and steel frame structure
Exterior:	Brick siding
Roof:	Flat rubber roofing
Windows:	Wood and composite-framed windows
Doors:	Entry doors are wood and glass in wood and metal frames, hallway doors are wood in wood and metal frames and interior passage doors are wood or wood composite.
Walls/Ceiling:	Drywall
Kitchens:	Include painted drywall walls and ceilings, wood, tile, and composite flooring, hardwood cabinets, laminate countertops, electric ranges, dishwashers, frost-free refrigerators, fractional horse-powered disposals and through-wall vents.
Bathrooms:	Include painted drywall walls and ceilings, mix of ceramic tile floor, and vinyl flooring, enameled steel tubs with porcelain tile surrounds,

	solid surface sinks with vanity cabinets, medicine cabinets, towel rails, cup and toilet roll holders and mirrors.
Security:	Unit entry doors have a peephole, deadbolt and chain. Entry to buildings is through electronic security system.
HVAC:	Currently served by gas-fired hydronic Whalen systems. Rehab to include individually controlled central boiler system. AC will also be provided.

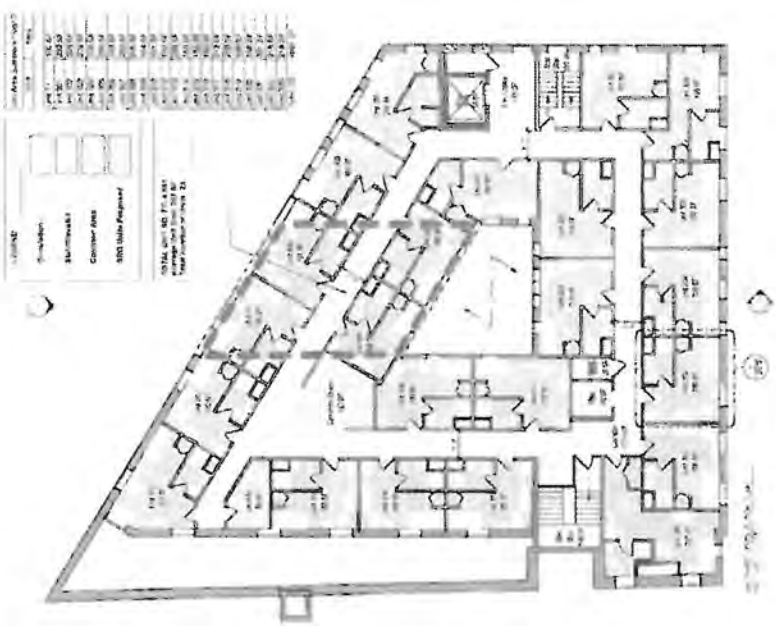
SD.07
YMCA Cabot Housing
Siemasko + Verbridge



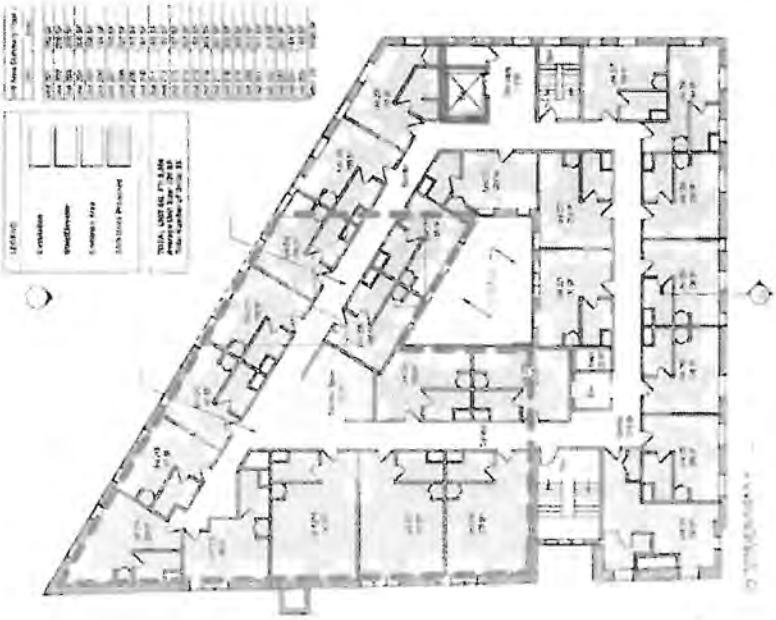
Existing Basement and First Floors



Floors 2 and 3, 44 Total Existing Units

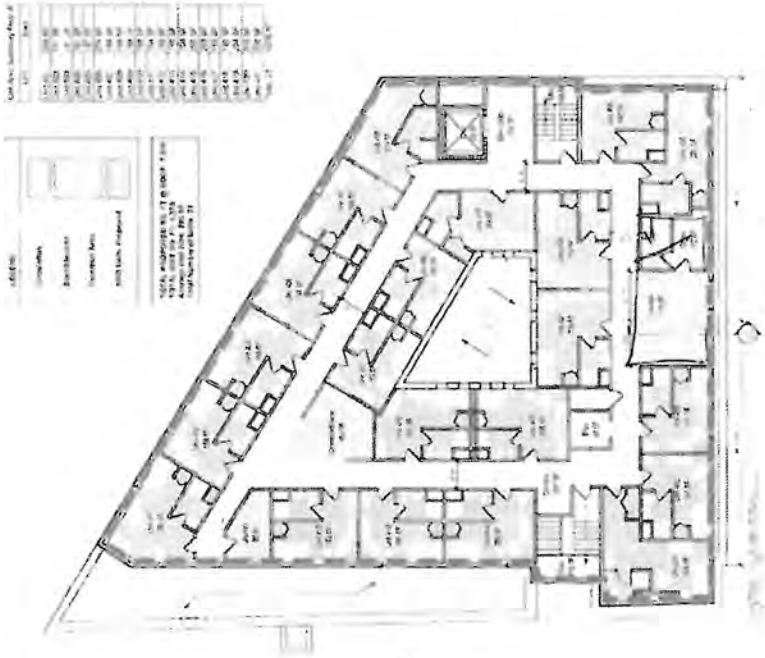


Third Floor
23 Units

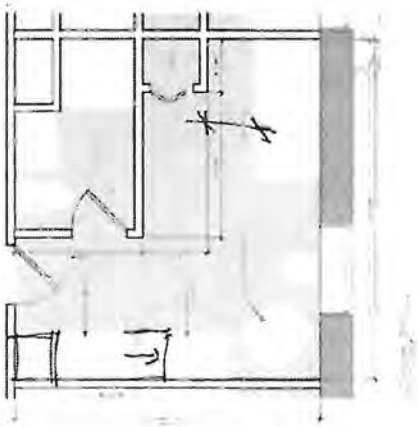


Second Floor
25 Units

Proposed Floors 2 and 3

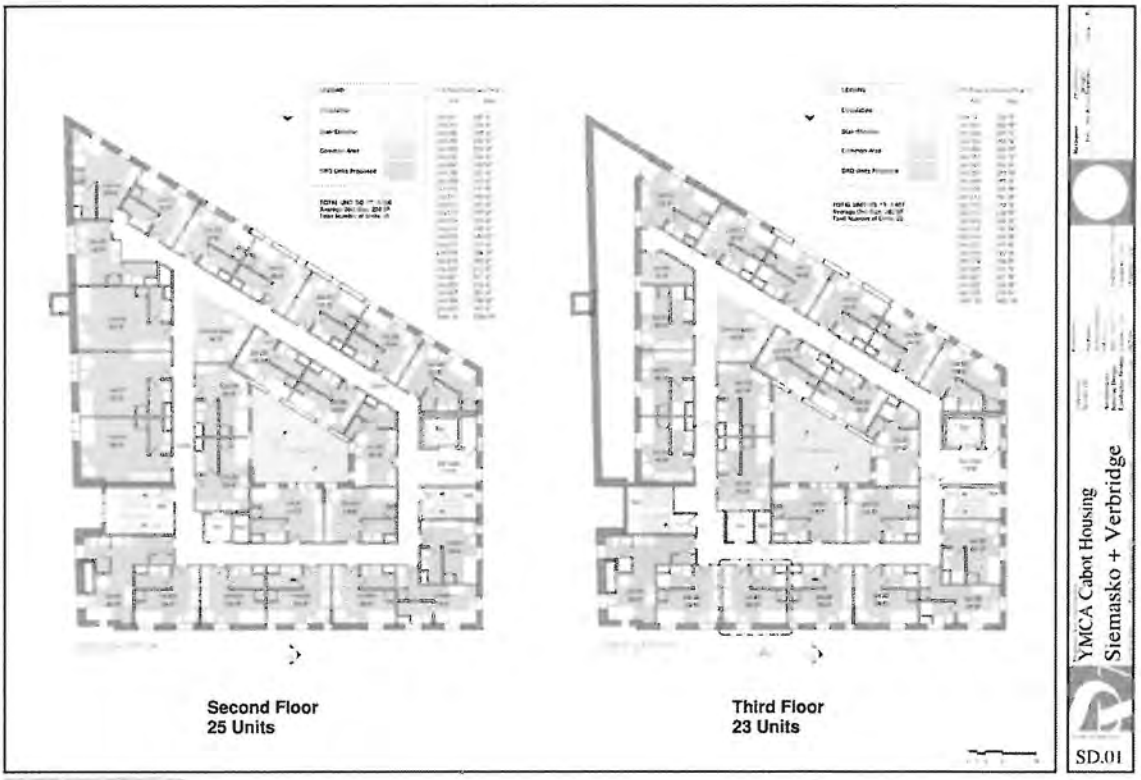


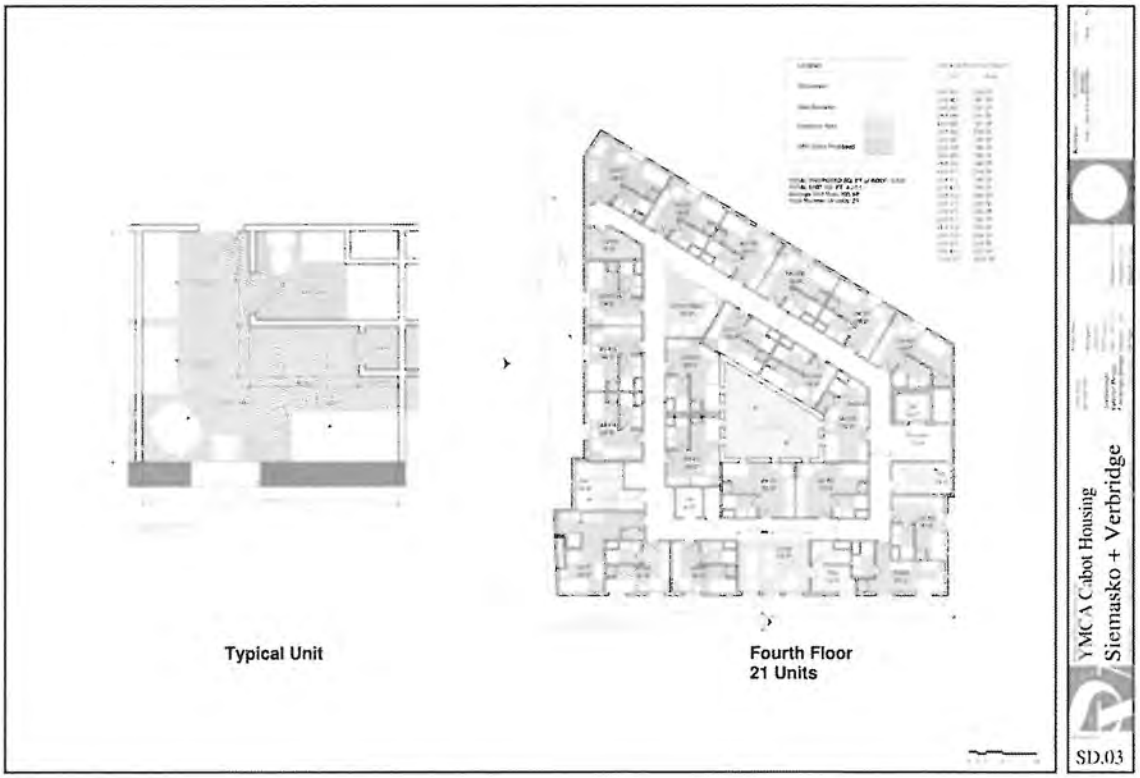
Fourth Floor
21 Units



Typical Unit

Proposed Floor 4, 69 Total Units


Second Floor
25 Units
Third Floor
23 Units
YMCA Cabot Housing
Siemasko + Verbridge
SD.01


Typical Unit
Fourth Floor
21 Units
YMCA Cabot Housing
Siemasko + Verbridge
SD.03

CABOT STREET BUILDING ELEVATION
BUILDING SECTION
YMCA Cabot Housing
Siemasko + Verbridge
SD.04

REAR ELEVATION
SIDE ELEVATION
YMCA Cabot Housing
Siemasko + Verbridge
SD.05

Highest and Best Use

Highest and Best Use is defined as:

> "The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity."[5]

In examining the highest and best use, two separate analyses are made:

(1) **Highest and best use of land or a site as though vacant.** Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements.[6]

(2) **Highest and best use of property as improved.** The use that should be made of a property as it exists. An existing property should be renovated or retained as is so long as it continues to contribute to the total Market Value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one.[7]

As indicated in the definitions, highest and best use applies to both the site as if it were vacant and as it is improved. In estimating the value of a property, it is important to establish the use that would bring the highest value to the land if the property were vacant. The highest and best use of the site as vacant sets the standard for evaluating the property as it is improved. In estimating the highest and best use, both as vacant and as improved, a four-step analysis is completed in which potential uses that are not legally permissible, physically possible, financially feasible or maximally productive are eliminated until only the highest and best use remains. Due to the nature of this assignment, the highest and best use as improved has not been considered for this analysis because the appraisal considers the Market (Land) Value 'As Is' of the site subject to existing zoning, under the hypothetical assumption that the site were vacant.

[5] *The Dictionary of Real Estate Appraisal, Sixth Edition*, Appraisal Institute, Chicago, IL 2015 Page 109
[6] *The Dictionary of Real Estate Appraisal, Fourth Edition*, Appraisal Institute, Chicago, IL 2002 Page 135
[7] *The Dictionary of Real Estate Appraisal, Fourth Edition*, Appraisal Institute, Chicago, IL 2002 Page 135

As Vacant

Legally Permissible

The subject property is located within the Central Business (CC) subdistrict. The CC Central Business District was established to provide principally for a central commercial business district. The current use as an affordable SRO development and the proposed use as an affordable multifamily residential development are allowed under the current zoning code. The existing development was constructed prior to existing zoning regulations; however appears to conform to current zoning and dimensional requirements. It is assumed, for the purposes of this assignment, that all necessary permits and approvals could be granted prior to construction and considered a legal use. If the site were vacant, the current use as a mixed-use property would be legal.

Physically Possible

The subject property includes approximately 10,980 square feet of land. The subject property has physical characteristics that do not significantly detract from its development potential. The physical characteristics of the land are comparable to that of neighboring comparable land zoned for multifamily residential and mixed uses.

Financially Feasible

There is an active market for the development of land for multifamily residential and mixed uses within the region, however, land for development is at a premium and exceedingly rare. If the site were vacant, the development of a multifamily residential or mixed use would be feasible under current market conditions because the value of the finished improvements would be more than the cost of construction.

Maximally Productive

If the site were vacant and unimproved, the use that would serve to maximize returns while conforming to the legal and physical constraints on the site would be a site for mixed-use development.

As Improved

Legally Permissible

The subject property is located within the Central Business (CC) subdistrict. The CC Central Business District was established to provide principally for a central commercial business district. The current use as an affordable SRO development and the proposed use as an affordable multifamily residential development are allowed under the current zoning code. The existing development was constructed prior to existing zoning regulations; however appears to conform to current zoning and dimensional requirements. It is assumed, for the purposes of this assignment, that all necessary permits and approvals could be granted prior to construction and considered a legal use. As improved, the current use as a mixed-use property is considered legal.

Physically Possible

The subject property includes approximately 10,980 square feet of land. The subject property has physical characteristics that do not significantly detract from its development potential. The physical characteristics of the land are comparable to that of neighboring comparable land zoned for multifamily residential and mixed uses.

Financially Feasible

There is an active market for the development of land for multifamily residential and mixed uses within the region, however, land for development is at a premium and exceedingly rare. As improved, the continued use as a mixed used development is feasible under current market conditions because the value of the finished improvements would be more than the cost of construction.

Maximally Productive

As improved the use that would serve to maximize returns while conforming to the legal and physical constraints on the site would be the continued use as a mixed-use development.

The Valuation Process

The valuation process is a "systematic set of procedures an appraiser follows to provide answers to a client's questions about real property value."[8] The valuation process involves applying three approaches to market value to the subject in order to arrive at a reliable market value conclusion. The three approaches are: the cost approach, the income capitalization approach, and the sales comparison approach. These three approaches are also considered in an appraisal at Market Value; however, the income approach to valuation is the most appropriate for representing the investment characteristics.

The cost approach is "a set of procedures through which a value indication is derived for the fee simple estate by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including and entrepreneurial incentive or profit; deducting depreciation from the total cost; and adding the estimated land value. Adjustments may then be made to the indicated value of the fee simple estate in the subject property to reflect the value of the property interest being appraised."[9] The cost approach is particularly applicable when the improvements have recently been built and when there is an active market for new construction from which to extract land sales and comparable building costs. The cost approach has not been used for this valuation because it is not an appropriate methodology for raw land.

The income capitalization approach is "specific appraisal techniques applied to develop a value indication for a property based on its earning capability and calculated by the capitalization of property income.[10] This conversion can be accomplished in two ways. One year's income expectancy can be capitalized at a market-derived capitalization rate or at a capitalization rate that reflects a specified income pattern, return on investment, and change in the value of the investment. Alternatively, the annual cash flows for the holding period and the reversion can be discounted at a specified yield rate.

The income capitalization approach has been used as a primary indicator of Market Value "As Proposed" because sufficient information is available from the subject and the market to provide supported projections of income and expenses for the subject. Also, reliable and relevant

[8] *The Dictionary of Real Estate Appraisal, Sixth Edition*, Appraisal Institute, Chicago, IL 2015 Page 243
[9] *The Dictionary of Real Estate Appraisal, Sixth Edition*, Appraisal Institute, Chicago, IL 2015 Page 54
[10] *The Dictionary of Real Estate Appraisal, Sixth Edition*, Appraisal Institute, Chicago, IL 2015 Page 115

data on capitalization rates and yield requirements of market participants are available to convert the projected net operating income from the subject into an indication of value for specific investment criteria.

The sales comparison approach is "the process of deriving a value indication for the subject property by comparing sales of similar properties to the property being appraised, identifying appropriates units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant when an adequate supply of comparable sales is available."[11] The Sales Comparison Approach has not been used to derive an independent value for the subject property based on comparable property sales because there are not ample sales within the market to develop an indication of market value. In arriving at the Market Value "As Is" of the subject property, reliance has been placed on the value indication from the Income Capitalization Approach.

Final reconciliation is "the last phase in the development of a value opinion in which two or more value indications derived from market data are resolved into a final value opinion, which may be either a range of value, in relation to a benchmark, or a single point estimate."[12]

[11] *The Dictionary of Real Estate Appraisal, Sixth Edition*, Appraisal Institute, Chicago, IL 2015 Page 207
[12] *The Dictionary of Real Estate Appraisal, Sixth Edition*, Appraisal Institute, Chicago, IL 2015 Page 91

Income Capitalization Approach

The proposed subject property will be income-producing real estate, owned and operated for the purpose of generating net annual income. The income capitalization approach has been used to estimate the Market Value "As Is" and "As Proposed" of the property. Since the subject property is one typically purchased for its anticipated future monetary benefits, the income capitalization approach is appropriate. Future benefits are estimated by forecasting the gross earning potential of the property under prevailing and foreseeable market conditions. Appropriate allowances for vacancy and operating expenses, based on the property history and the prevailing and foreseeable market, are then deducted from gross earnings to arrive at the net operating income. The net operating income is then capitalized into a value estimate.

It is assumed for the purposes of this analysis that the current unit affordability is restricted to 60% of the Area Median Income (AMI) for the area and can be rented to residents with incomes up to 60% of the AMI. The property is operated by a mission-driven community non-profit entity and provides additional and elective staffing and services, over and above what is typically provided within the market and sets rent levels far below what is achievable within the market and current and historical income is not considered a reasonable estimate of operations for valuation purposes. For the Market Value "As Is" scenario, we have analyzed the current and historic property operations, subject to assumed affordability restrictions and for the "As Proposed" scenario we have analyzed proposed affordable and market rents subject to the proposed affordability restrictions. The Market Value "As Is" scenario is subject to affordability restrictions and operations. The Market Value "As Proposed" scenario is subject to proposed affordability restrictions and operations. The indicated net operating income has been capitalized at a rate based on the band of investment methodology using current lending rates Section 223(f) for new construction multifamily housing and market-derived rates.

Monthly Rents

It is assumed for the purposes of this analysis that the current unit affordability is restricted to 60% of the Area Median Income (AMI) for the area and can be rented to residents with incomes up to 60% of the AMI. According to the property owner, the current allowable rent level for the existing 45 units under the LIHTC program and MRVP program is $1,086 per month; which is well below the current contract rents being charged at the property. The property is operated by a mission-driven community non-profit entity and provides additional and elective staffing and

services, over and above what is typically provided within the market and sets rent levels far below what is achievable within the market and current and historical income is not considered a reasonable estimate of operations for valuation purposes. A review of comparable SRO and studio units within the subject market indicates a range of between $600 and $840 per month for SRO units with shared baths and kitchens, a range of between $750 and $1,050 per month for SRO units with private baths and kitchenettes and $1,400 per month for studio units with private kitchens and baths, as indicated by the chart below. It is reasonable to assume that if the property were operated outside of the restrictions of the mission-based organization, units could achieve rental rates similar to comparable properties within the markets. The subject property units are approximately 150-200 square feet and include private bathrooms and kitchenettes and therefore an estimate of current achievable rent of $800 per month is considered reasonable for the 45 units at the subject property and has been used in the Market Value "As Is" valuation scenario.

Comparable Rents

Location	Town	Monthly Rent	Unit Notes
43 Boston Street	Salem	$600	Room, shared baths, no kitchen
179 Boston Street	Salem	$700	Room w/ kitchenette, shared baths
Northfield, 65 Main Street	Peabody	$700	Room, shared baths, no kitchen
Lafayette Hotel, 116 Lafayette Street	Salem	$840	Room, shared baths, no kitchen
104A Lafayette - NSCDC	Salem	$775	Room with bath and kitchenette - run by non-profit
15-17 Harbor Street - NSCDC	Salem	$750	Room with bath and kitchenette - run by non-profit
Northfield, 77 Main Street	Peabody	$1,050	Room with bath and kitchenette - approximately 300 SF
Beverly Commons	Beverly	$1,400	Studio unit, approximately - 455 SF

The net rents for the subject property are based on a review of historic operations, the current market for comparable SRO and studio units, and the rent restrictions for the property for the "As Is' scenario and the OneStop proforma for the "As Proposed" scenario. Market-rate and affordable properties within the market area are well occupied and according to local housing authorities and agencies, affordable properties have long waiting lists. Because of the utilization of financial subsidy programs the market advantage is considered to be very attractive for this project. Because of the regulatory restrictions at the subject property proposed affordable rental receipts indicated by the OneStop Rent Schedule are used as the basis for the Market Value exercises.

Cabot Housing - As Is Rents

	30% AMI			50% AMI		60% AMI
Vouchers/Program				**MRVP**		**LIHTC**
# units				15		30
Maximum Allowable Rent				$1,086		$1,086
Current Actual Rent				$690		$550

Cabot Housing - As Proposed Rents

	30% AMI			50% AMI		60% AMI
Vouchers	**MRVP**	**HUD 811**	**Section 8**	**MRVP**	**N/A**	**N/A**
# units	7	5	8	8	30	11
Maximum Allowable Rent	$1,086	$1,253	$1,378	$1,086	$905	$1,086
Scheduled Rent in OneStop	$1,086	$1,253	$1,378	$1,086	$570	$675

Residential Vacancy Rate

Occupancy rates at comparable market-rate and affordable properties were in the range of 90%-100%. Conversations with property managers indicate that Beverly has an active market for market-rate and low-income apartment housing and there is an under representative amount of subsidized housing within the market inventory and extremely long wait lists. A vacancy rate at the middle of the range has been projected and a vacancy rate of 5.0% has been used in the Market Value scenario to reflect the current market for affordable and market-rate units.

Adjustments to Expenses

To project the operating expenses for the subject property the proposed OneStop operating budget for the property have been analyzed. The projected operating expenses for the subject property are considered reasonable and are used to reconstruct operating expenses.

Management Fee

Conversations with local property management companies and review of comparable operating expenses indicate that a management fee of 4% to 6% is typical of management contracts for apartment communities in the market. The Market Value "As Is" scenario uses a management fee of 5.0% and the "As Proposed" scenario uses a budget 6.0% management fee for the increased management responsibility of the proposed development. The Effective Gross Income includes residential rental, less vacancy and bad debt and collection losses.

Administration

Administrative expenses include the administrative salary, legal fees, auditing and accounting fees, marketing, telephone and office supplies, and other administrative expenses. The current property budgeted administration expense is $1,257 per unit and has been used for the "As

Is" scenario and the OneStop proposed administration expense is $1,407 per unit and is considered reasonable and therefore the projected amount is used in the "As Proposed" valuation scenario.

Maintenance

The maintenance expenses recorded in the audited financial statements include janitorial materials, landscaping, decorating, and interior and exterior repairs. The current property budgeted maintenance expense is $1,547 per unit and has been used for the "As Is" scenario and the OneStop proposed maintenance expense is $1,529 per unit and is considered reasonable and therefore the projected amount is used in the "As Proposed" valuation scenario.

Utilities

The current property budgeted utility expense is $1,022 per unit and has been used for the "As Is" scenario and the OneStop proposed utility expense is $1,000 per unit and is considered reasonable and therefore the projected amount is used in the "As Proposed" valuation scenario.

Replacement Reserves

The replacement reserves are for the replacement of carpet, appliances, and other short-lived items in the units. The property is currently modest with few unit amenities and after construction will be newly refurbished and will benefit from high quality construction. The OneStop proposed replacement reserve expense is $300 per unit and is considered reasonable and therefore the projected amount is used in the valuation scenarios.

Real Estate Taxes

The property is subject to local real estate taxes from the city of Beverly. These taxes are based on the assessed value of the subject, as determined by the city. The current taxes encumbering the subject are based on the assessment for the fiscal year 2018 (FY18) at a rate of $13.60 per $1,000 for residential property types based on a 100% assessment. In the fiscal year 2018 (FY18), the assessed value of the subject, as determined by the city of Beverly, is $1,256,100 and $27,913 per unit. The FY18 tax rate is $13.60 per $1,000 of assessed value, which equates to an estimated FY18 tax burden of $17,083 or $380 per unit for the property and is used in the "As Is" valuation scenario. An estimated tax expense has been developed based on the "As Proposed" value and is therefore used in the valuation scenario.

Insurance

The current property budgeted insurance expense is $218 per unit and has been used for the "As Is" scenario and the OneStop proposed insurance expense is $339 per unit and is considered reasonable and therefore the projected amount is used in the "As Proposed" valuation scenario.

Reconstructed Operating Statements

The operating expenses were provided in the form of tax returns and audits for the property partnership and internal property management reports for budgets and projections and have been analyzed for the purposes of this report. The OneStop projected operating expenses appear reasonable and consistent with a reasonable range of our experience with similar projects and have been used for the basis of the valuation analysis.

Reconstructed Operating Statement - Market Value "As Is"

Item	Monthly Rent	Annual Income	Per unit
Residential Income			
45 SRO Units	$800	$432,000	$9,600
45		$432,000	$9,600
Other Income			
Laundry/Vending Income		$5,277	$117
Other Income		$0	$0
Gross Potential Residential Income		$437,277	$9,717
Residential Vacancy	*5.0%*	*($21,864)*	*($486)*
Effective Gross Income		**$415,413**	**$9,231**
Operating Expenses			
Management fee	5.0%	$20,771	$462
Administrative			
Marketing Expense			$0
Office Supplies		$1,920	$43
Payroll		$33,604	$747
Payroll Benefits			$0
Legal Fees		$6,000	$133
Auditing		$9,600	$213
Telephone		$3,360	$75
Miscellaneous		$2,100	$47
Subtotal Administrative		*$56,584*	*$1,257*
Maintenance			
Maintenance Payroll		$23,944	$532
Payroll Benefits			$0
Janitorial Materials		$847	$19
Landscaping			$0
Decorating (interior only)		$7,969	$177
Repairs (interior & exterior)			$0
Elevator Maintenance			$0
Garbage Removal			$0
Snow Removal			$0
Exterminating		$10,270	$228
Miscellaneous		$26,571	$590
Subtotal Maintenance		*$69,601*	*$1,547*
Resident Services			
Resident Services		$2,280	$51
Subtotal Resident Services		*$2,280*	*$51*
Utilities			
Electricity		$30,000	$667
Water & Sewer		$7,000	$156
Gas		$9,000	$200
Subtotal utilities		*$46,000*	*$1,022*
Taxes and Insurance			
Property and Liability Insurance		$9,800	$218
Real Estate Taxes		$17,083	$380
Subtotal Taxes and Insurance		*$26,883*	*$597*
Total operating expenses		**$222,119**	**$4,936**
Replacement Reserve		$13,500	$300
Net Operating Income		**$179,794**	**$3,995**

Reconstructed Operating Statement - Market Value "As Proposed"

Item	Monthly Rent	Annual Income	Per unit
Residential Income			
7 Studio Units - 30% AMI MRVP	$1,086	$91,224	$13,032
5 Studio Units - 30% AMI HUD S811	$1,253	$75,180	$15,036
8 Studio Units - 30% AMI Section 8	$1,378	$132,288	$16,536
8 Studio Units - 50% AMI MRVP	$1,086	$104,256	$13,032
30 Studio Units - 50% AMI	$905	$325,800	$10,860
11 Studio Units - 60% AMI	$1,086	$143,352	$13,032
69		$872,100	$12,639
Other Income			
Laundry/Vending Income		$0	$0
Other Income		$0	$0
Gross Potential Residential Income		$872,100	$12,639
Residential Vacancy	*5.0%*	*($43,605)*	*($632)*
Effective Gross Income		**$828,495**	**$12,007**
Operating Expenses			
Management fee	6.0%	$49,710	$720
Administrative			
Marketing Expense		$3,000	$43
Office Supplies		$4,000	$58
Payroll		$42,000	$609
Payroll Benefits		$12,600	$183
Legal Fees		$6,000	$87
Auditing		$9,600	$139
Telephone		$2,400	$35
Miscellaneous		$17,500	$254
Subtotal Administrative		*$97,100*	*$1,407*
Maintenance			
Maintenance Payroll		$40,000	$580
Payroll Benefits		$12,000	$174
Janitorial Materials		$18,000	$261
Landscaping		$0	$0
Decorating (interior only)		$5,000	$72
Repairs (interior & exterior)		$8,000	$116
Elevator Maintenance		$7,500	$109
Garbage Removal		$3,000	$43
Snow Removal		$3,000	$43
Exterminating		$7,500	$109
Miscellaneous		$1,500	$22
Subtotal Maintenance		*$105,500*	*$1,529*
Resident Services			
Resident Services		$54,600	$791
Subtotal Resident Services		*$54,600*	*$791*
Utilities			
Electricity		$46,023	$667
Water & Sewer		$9,177	$133
Gas		$13,800	$200
Subtotal utilities		*$69,000*	*$1,000*
Taxes and Insurance			
Property and Liability Insurance		$23,400	$339
Real Estate Taxes		$70,720	$1,025
Subtotal Taxes and Insurance		*$94,120*	*$1,364*
Total operating expenses		**$470,030**	**$6,812**
Replacement Reserve		$20,700	$300
Net Operating Income		**$337,765**	**$4,895**

Capitalization of Net Operating Income

Direct capitalization is a method used to convert a single year's income estimate into a value indication and the conversion is accomplished by dividing the net operating income by an appropriate capitalization rate. The level of risk associated with a market-financed project is higher than the risk level associated with an agency-financed affordable housing project or a specialized housing type with supplemental services. This risk level has been valued based on direct capitalization of net operating income for the property under existing conditions.

The band of investment technique is an income property appraisal technique where the overall rate is derived from weighting mortgage and equity. This technique was performed to support the national and regional surveys, which were used to determine the capitalization rate. The equity dividend rate used in the band of investment for calculating the overall capitalization rate for the subject is the initial cash-on-cash return required by an equity investor. The equity dividend rate differs from the equity yield rate in that it does not incorporate projected increases in earnings or appreciation of the value for the underlying investment. In determining the appropriate equity rate for investment in the subject property, high yield corporate equity rates were evaluated.

In order to convert the projected net operating income from the subject property to an indication of Market Value, an appropriate capitalization rate based on current market financing is derived. To estimate the appropriate capitalization rate for the subject property under current market financing terms and conditions, the return-rate requirements of the capital components of debt and equity, are analyzed. The two capital components are then combined in a band of investment model to estimate the overall capitalization rate.

Direct Capitalization- Market Value

Direct capitalization is a method used to convert a single year's income estimate into a value indication and the conversion is accomplished by dividing the net operating income by an appropriate capitalization rate. In deriving an overall capitalization rate for the subject, the market-derived capitalization rates were used in conjunction with a published survey of national market participants and the band of investment technique for calculating capitalization rates. Detailed below is the analysis that determined the capitalization rate under existing market conditions.

A survey used to determine the capitalization rate is the *Korpacz Real Estate Investor Second Quarter 2017*, published by PricewaterhouseCoopers (PWC). The survey indicates that,

for the overall national apartment market capitalization rates ranged from 3.50% to 8.00% and averaged 5.40%, which is up 7 basis points from one quarter ago and 5 basis point from one year ago when the average capitalization rates were 5.35%, as indicated by the chart below.

Economic Indicators | PwC Real Estate Investor Survey, Q2 2017

	Regional Mall		CBD Office		Warehouse		Apartment	
	Q2 2017	Q1 2017	Q2 2017	Q1 2017	Q2 2017	Q1 2017	Q2 2017	Q1 2017
Discount Rate (IRR)[a]								
Range (%)	5.00–11.50	5.50–11.50	5.50–9.50	5.50–9.50	5.50–9.00	5.50–9.00	5.50–10.00	5.50–10.00
Average (%)	7.60	7.70	7.05	7.09	6.66	6.74	7.28	7.24
Change (bps)		–10		–4		–8		–4
Overall Cap Rate (OAR)[a]								
Range (%)	4.00–10.00	4.00–10.00	3.50–7.50	3.50–7.50	4.00–6.90	4.25–6.90	3.50–8.00	3.50–8.00
Average (%)	6.20	6.13	5.68	5.55	5.27	5.37	5.40	5.33
Change (bps)		+7		+13		–10		+7
Residual Cap Rate								
Range (%)	4.00–10.00	4.00–10.00	4.75–7.50	4.75–7.50	5.00–7.00	5.00–7.00	4.50–8.00	4.25–8.00
Average (%)	6.70	6.70	6.13	6.11	5.95	6.03	5.82	5.75
Change (bps)		0		+2		–8		+7

[a] Rate on unleveraged, all-cash transactions. Definitions: bps, basis points. Discount Rate (IRR), internal rate of return in an all-cash transaction, based on annual year-end compounding. Overall Cap Rate (OAR), initial rate of return in an all-cash transaction. Residual Cap Rate, overall capitalization rate used in calculation of residual price typically applied to the NOI in the year following the forecast. Survey involves institutional-grade properties. Source: PwC Real Estate Investor Survey. Personal survey conducted by PwC during April 2017. For subscription information, please visit http://bit.ly/pwc_real_estate_survey or call 1-800-654-3387.

A source used in determining the capitalization rate is the *Viewpoint 2017 Report*, published by Integra Realty Resources for the Boston Metropolitan Area. The report indicates that capitalization rate compression for multifamily residential has slowed somewhat. The average capitalization rate for Urban and Suburban Class A multifamily within the Boston metropolitan market over the previous 12 months was 3.8% and 4.8% respectively, while Urban Class B and Suburban Class B properties were trading at 4.5% and 5.5% respectively, as indicated by the chart below.

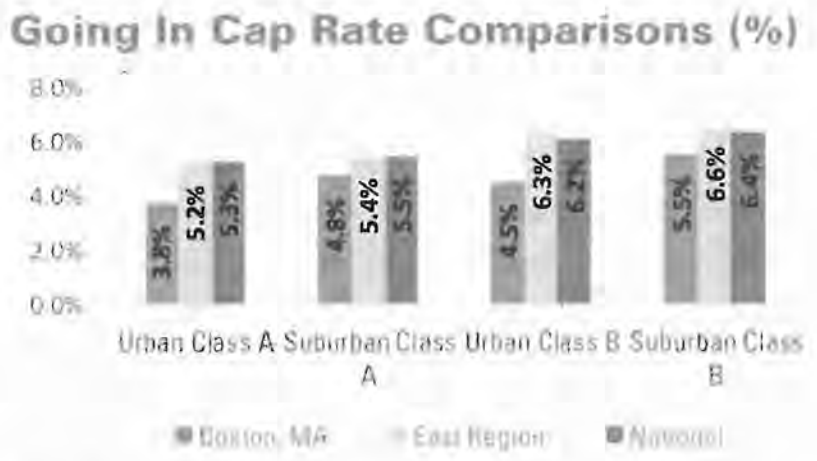


Chart Source: Integra Realty Resources

Additionally, according to *FreddieMac's Multifamily Outlook 2017,* despite the increase in the 10-year Treasury rate, capitalization (cap) rates were flat through the first part of 2017, at 5.5% as of April according to Real Capital Analytics (RCA). While cap rates and Treasury rates are correlated – typically, as Treasury rates increase, so do cap rates – the recent interest rate spike did not cause an increase in cap rates. With the cap rate spread (difference between cap rates and 10-year Treasury) historically wide, reaching 410 bps in third quarter 2016 compared to the average of 320 bps going back to 2001, the interest rate increase was absorbed in the cap rate spread.

The market rate of interest was derived from conversations with mortgage sources. According to contacts within the multifamily lending market, current lending rates for well-established multifamily properties with experienced operators are available in the high 3% to low 4% range. The most favorable terms from the lenders are the HUD FHA 223(f) program with up to an 85% loan-to-value (LTV) ratio. The interest rates are calculated at 120 basis points above 10-year treasury rates based on discussions regarding size and character of the property and loan. As of December 1, 2017, 10-year treasuries were 2.37%. Accordingly, the interest rate would be in the range of 3.57% under the FHA 223(f) multifamily housing loan program, plus 65 basis points for MIP. A rate of 3.57% with a 40-year amortization, an 85% LTV, and a 65 basis point MIP would result in a constant of 5.35%.

In determining the appropriate equity capital for investment in the subject property, long-term U.S. corporate equity rates were evaluated. As of December 1, 2017, the Merrill Lynch High

Yield 100 index rate was 5.502%. This rate has fluctuated 94 basis points over the preceding 52-weeks from a low of 4.948% to a 52-week high of 5.890%. Additionally, the Merrill Lynch High Yield Constrained index rate was 5.743%. This rate has fluctuated 112 basis points over the preceding 52-weeks from a low of 5.373% to a 52-week high of 6.496%. A dividend rate of 10.0% is projected in the band of investment analysis that follows due to the additional risk represented over high-yield long-term corporate bonds and the characteristics of affordable rental housing. A 5.350% mortgage constant is added to a 10.0% equity component as shown below to arrive at a capitalization rate of 6.05% under the band of investment methodology.

Band of Investment - Market Value

	Constant	Ratio	
Mortgage Component	5.35%	85.00%	4.55%
Equity Component	10.00%	15.00%	1.50%
Band of Investment Rate			6.05%
Overall Capitalization Rate			**6.05%**

On the basis of discussions with market participants, the band of investment model above, and published industry surveys, a capitalization rate of between 6.0% and 7.0% is considered appropriate for converting the projected income into an indication of value for the property. Based on market inquiries and the projected upward pressure on interest rates for multifamily properties within the market, an upward adjustment to the capitalization rate derived in the band of investment section results in an overall capitalization rate of 7.00% for the "As Is" scenario considering the condition and historic performance of the property and 6.50% for the "As Proposed Scenario" which has been selected as appropriate for the subject. A direct capitalization model has been developed as an indication of value for the subject.

Direct Capitalization Conclusion

The overall capitalization rate is calculated by multiplying the appropriate rates for the mortgage and equity components of capital by their respective ratios. The indicated overall capitalization rate is in the range of 6.00%-7.00% for the Market Value scenarios as described in the previous section. In deriving an overall capitalization rate for the subject, the market-derived capitalization rates were used in conjunction with a published survey of national market participants and the band of investment technique for calculating capitalization rates. Further, the rate has been derived based on the specific characteristics of the subject property and has therefore been used in the value determinations that follow. Direct capitalization has been used in valuing the fee simple estate subject to market rents, occupancy and current market financing terms within

the property because of the short-term nature of the leases. The direct capitalization methodology indicates an overall Market Value "As Is" of the existing 45 units within condominium unit 2 subject to affordability restrictions and operations of $2,600,000 and the Market Value "As Proposed" subject to proposed restrictions and operations of $5,200,000. The derived values and capitalization rate appears reasonable based on the characteristics of property, and recent market surveys, and serves as an overall indication of value of the subject, as indicated by the charts below.

Market Value "As Is"

Capitalization of Net Operating Income Market Rate 223(f) Financing Model	
Net operating income	$179,794
Overall capitalization rate	7.00%
Indicated market value	$2,568,493
Total Value	**$2,600,000**

Market Value "As Proposed"

Capitalization of Net Operating Income Market Rate 223(f) Financing Model	
Net operating income	$337,765
Overall capitalization rate	6.50%
Indicated market value	$5,196,389
Total Value	**$5,200,000**

Market Value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby the buyer and seller are typically motivated, both parties are well informed or well advised, and acting in what they consider their own best interests, a reasonable time is allowed for exposure in the open market, payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto, and the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.[13]

Because of the legal and physical aspects of the subject property within the condominium building, the most likely potential buyer of the 2,982 square-foot portion of condominium unit 1 is the adjacent owner. Without substantial improvement, segregations, access and legal arrangements, the 2,982 square-foot portion of condominium unit 1 does not meet the criteria for a typical Market Value exercise because the parties are likely not typically motivated and the property would not be typically marketable in its current state of under improvement. The

[13]Federal Register, Document 75 FR 77449, December 10, 2010, Appendix D – Glossary of Terms

estimated value lacks the characteristics of typical Market Value analysis and exercises; however we have applied a methodology that would be appropriate if it were.

An estimate of Market Value with these assumptions is required by the parties and therefore we believe it is appropriate to use an appropriate appraisal methodology in allocating a value to the 2,982 square-foot portion of condominium unit 1. The value of the 2,982 square-foot portion of condominium unit 1 has been developed by applying a per-square-foot value of condominium unit 2 derived in the Market Value "As Is" valuation scenario to the 2,982 square-foot portion of condominium unit 1 and adjust it for the cost to improve the mezzanine space to include a flooring system and interior partitions comparable to that of the existing improvements in unit 2.

The improvement costs have been estimated using the Marshall & Swift Valuation Service guide to determine the approximate cost of constructing the required improvements. The current physical improvement of the 2,982 square-foot portion of condominium unit 1 is a generally open area above a basketball court. The area has a small walking track around the outer perimeter; however does not have a full flooring system or any wall partitions. The track is considered a mezzanine and the 2,982 square-foot portion of condominium unit 1 would require a flooring structure and partition improvements for the space to be useful for residential or commercial real estate purposes. The base costs and adjustments from the manual are based on the property inspection and are considered a reasonable indicator of the current development cost. According to the Marshall & Swift Valuation Service, a basic flooring structure and covering would include a base cost of $6.01 per square foot for construction, in addition, basic low-cost interior fit out including stud walls and drywall coverings would include a base cost of $25.91 per square foot. The base cost is adjusted for local multiplier (33%) and for current cost multiplier (3%). The adjusted cost estimate per square foot is $43.41. Therefore, the indicated construction cost from the Marshall & Swift Valuation Service is approximately $129,452. Adjusted for the cost of construction, the total value attributed to the 2,982 square-foot portion of condominium unit 1 is therefore estimated at $470,000, as indicated by the chart below.

Market Value "As Is" of 2,982 SF Portion of Condominium Unit 2	**Per SF Area**	**Total**
Market Value "As Is"	$200.00	$596,400
Cost to Improve		
Floor System - All Structure	$6.01	($17,922)
Interior Fitout - Basic Low Cost	$25.91	($77,264)
Current & Local Adjusters	1.36	($129,452)
Total Value Attributed to the 2,982 SF Portion		$466,948
Total Value		**$470,000**

Reconciliation and Final Value Estimate

In appraising the market value of the fee simple estate in the subject property, the Cost Approach, Sales Comparison Approach and Income Capitalization Approach have been considered. The replacement cost estimate for the subject property has not been used as an indication of the market value of the subject property due to the age and physical characteristics of the existing improvements. However, the elimination of the Cost Approach and Sales Comparison Approach does not affect the reliability of the value estimates determined by the Income Capitalization Approach.

In appraising the market value of the fee simple estate in the subject property, the Cost Approach, Sales Comparison Approach and Income Capitalization Approach have been considered. The replacement cost estimate for the subject property has not been used as an indication of the market value of the subject property due to the nature of the assignment and land value exercise. The income capitalization approach has been used as a primary indicator of Market Value "As Is" and "As Proposed" because there is sufficient information is available from the subject and the market to provide supported projections of income and expenses for the subject. The direct capitalization methodology indicates an overall Market Value "As Is" of the existing 45 units within condominium unit 2 subject to affordability restrictions and operations of $2,600,000 and the Market Value "As Proposed" subject to proposed restrictions and operations of $5,200,000. The derived values and capitalization rate appears reasonable based on the characteristics of property, and recent market surveys, and serves as an overall indication of value of the subject.

Because of the legal and physical aspects of the subject property within the condominium building, the most likely potential buyer of the 2,982 square-foot portion of condominium unit 1 is the adjacent owner. Without substantial improvement, segregations, access and legal arrangements, the 2,982 square-foot portion of condominium unit 1 does not meet the criteria for a typical Market Value exercise because the parties are likely not typically motivated and the property would not be typically marketable in its current state of under improvement. The estimated value lacks the characteristics of typical Market Value analysis and exercises; however we have applied a methodology that would be appropriate if it were.

An estimate of Market Value with these assumptions is required by the parties and therefore we believe it is appropriate to use an appropriate appraisal methodology in allocating a

value to the 2,982 square-foot portion of condominium unit 1. The value of the 2,982 square-foot portion of condominium unit 1 has been developed by applying a per-square-foot value of condominium unit 2 derived in the Market Value "As Is" valuation scenario to the 2,982 square-foot portion of condominium unit 1 and adjust it for the cost to improve the mezzanine space to include a flooring system and interior partitions comparable to that of the existing improvements in unit 2.

The improvement costs have been estimated using the Marshall & Swift Valuation Service guide to determine the approximate cost of constructing the required improvements. The current physical improvement of the 2,982 square-foot portion of condominium unit 1 is a generally open area above a basketball court. The area has a small walking track around the outer perimeter; however does not have a full flooring system or any wall partitions. The track is considered a mezzanine and the 2,982 square-foot portion of condominium unit 1 would require a flooring structure and partition improvements for the space to be useful for residential or commercial real estate purposes. The base costs and adjustments from the manual are based on the property inspection and are considered a reasonable indicator of the current development cost. The total value attributed to the 2,982 square-foot portion of condominium unit 1 is therefore estimated at $470,000.

Our opinion of the Market Value 'As Is" of the affordable studio apartment development located within a condominium unit of the Beverly Regional YMCA Condominiums at 245 Cabot Street in Beverly, MA, subject to the existing 45-unit restricted, mixed-income residential rental housing development and assuming affordable operations and restrictions as of December 21, 2017 is:

TWO MILLION SIX-HUNDRED THOUSAND U.S. DOLLARS
$2,600,000

Our opinion of the Market Value 'As Proposed' of the proposed affordable studio apartment development located within a condominium unit of the Beverly Regional YMCA Condominiums at 245 Cabot Street in Beverly, MA, subject to the proposed 69-unit restricted, mixed-income residential rental housing development and assuming affordable operations and restrictions as of December 21, 2017 is:

FIVE MILLION TWO HUNDRED THOUSAND U.S. DOLLARS
$5,200,000

Our opinion of the Market Value 'As Is" of the 2,982 square-foot portion of condominium unit 1 of the Beverly Regional YMCA Condominiums at 245 Cabot Street in Beverly, MA, subject to the existing condition and development as of December 21, 2017 is:

FOUR-HUNDRED SEVENTY THOUSAND U.S. DOLLARS
$470,000

Appraisal Certification Statement

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have not performed services, as an appraiser, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- I (Brett N. Pelletier) have made a personal inspection of the property that is the subject of this report. I (David S. Kirk) have not made a personal inspection of the property that is the subject of this report.
- Brett N. Pelletier is competent to appraise the subject property. Mr. Pelletier is a state certified general real estate appraiser in Rhode Island. Both Mr. Kirk and Mr. Pelletier are state certified general real estate appraisers in Massachusetts and New Hampshire and have had substantial experience appraising all types of residential and commercial properties. No one provided significant real property appraisal assistance to the person signing this certification.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, I (Brett N. Pelletier) have completed the Standards and Ethics Education Requirements for Practicing Affiliates of the Appraisal Institute. I am currently certified under this program through June 30, 2021.
- As of the date of this report, I (David S. Kirk) have completed the continuing education program for Designated Members of the Appraisal Institute. I am currently certified under this program through December 31, 2021

David S. Kirk, MAI, CRE®

January 3, 2018
Date

Brett N. Pelletier

January 3, 2018
Date

EXHIBIT 6: SITE PLANS & ZONING/PERMITTING

The project is fully permitted, and has approval from both the Mass Historic Commission and the Beverly Historic District Commission.

A Phase 1 environmental report was completed in October 2017. It found no Recognized Environmental Conditions, and classified the site as low/moderate risk. The full environmental report is available, and can be provided at your request.

The building will have new high efficiency mechanical systems and fresh air supplied to all the units.

- Map of site location
- Survey plan
- Photos of site and surrounding neighborhood
- Site plans, floor plans, and elevations
- Phase 1 Environmental report – Executive Summary
- ZBA Special Permit
- Mass Historic Commission letter
- Beverly Historic District Commission letter

Google Maps 245 Cabot St

ZONING DISTRICT: CC

ASSESSORS: MAP 11 LOT 458

REFERENCES:

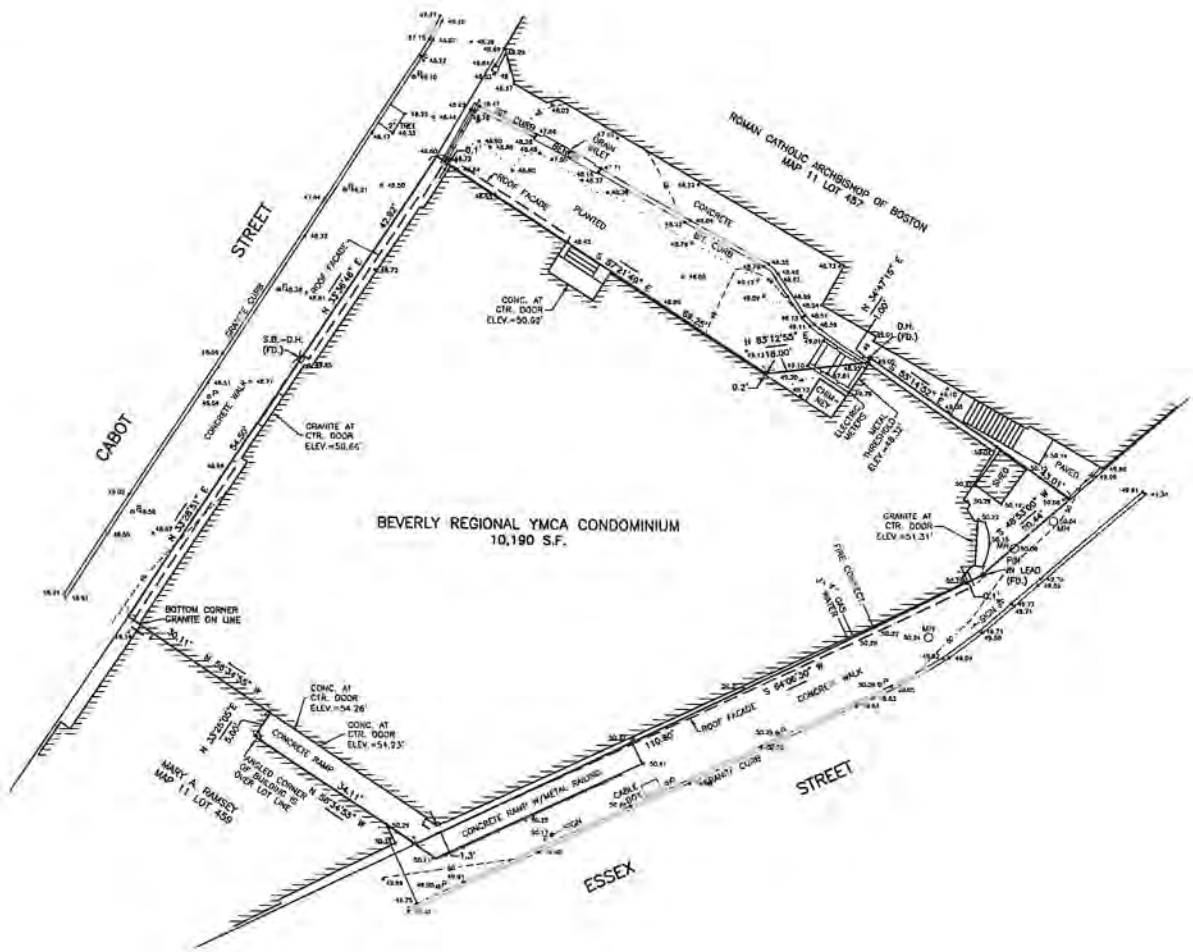
DEEDS - BK. 9737 PG. 414
BK. 13797 PG. 351
BK. 32158 PG. 342

PLANS - PL. 512 OF 1967
PL. BK. 311 PL. 49

VERTICAL DATUM: N.G.V.D. 1929

LEGEND & SYMBOLS

S.B.	STONE BOUND
D.H.	DRILL HOLE
FD.	FOUND
BIT.	BITUMINOUS
ELEV.	ELEVATION
P	PARKING METER
M.H.	MAN HOLE
WG	WATER GATE
-o-o-	METAL FENCE
-^-^-	RETAINING WALL
CONC.	CONCRETE



NOTE:

- UNDERGROUND UTILITIES WERE NOT MARKED AT THE TIME OF THIS SURVEY. AN INVESTIGATION OF UNDERGROUND UTILITIES HAS NOT BEEN CONDUCTED BY DONOHOE SURVEY, INC.
- CITY REPORTS THAT SEWER CONNECTS TO SEWER IN CABOT STREET.

SCALE: 0 5 10 20 30 40 FEET
0 2 5 10 METERS

ADDRESS: 245 CABOT STREET

EXISTING CONDITIONS SITE PLAN
IN
BEVERLY, MA

PROPERTY OF
THE BEVERLY REGIONAL YOUNG MEN'S CHRISTIAN ASSOCIATION
& YNS AFFORDABLE HOUSING, INC.

SCALE: 1" = 10' FEBRUARY 22, 2018

DONOHOE SURVEY, INC.
363 BOSTON ST. TOPSFIELD, MA
(978) 887-6151

PROJ. 3536

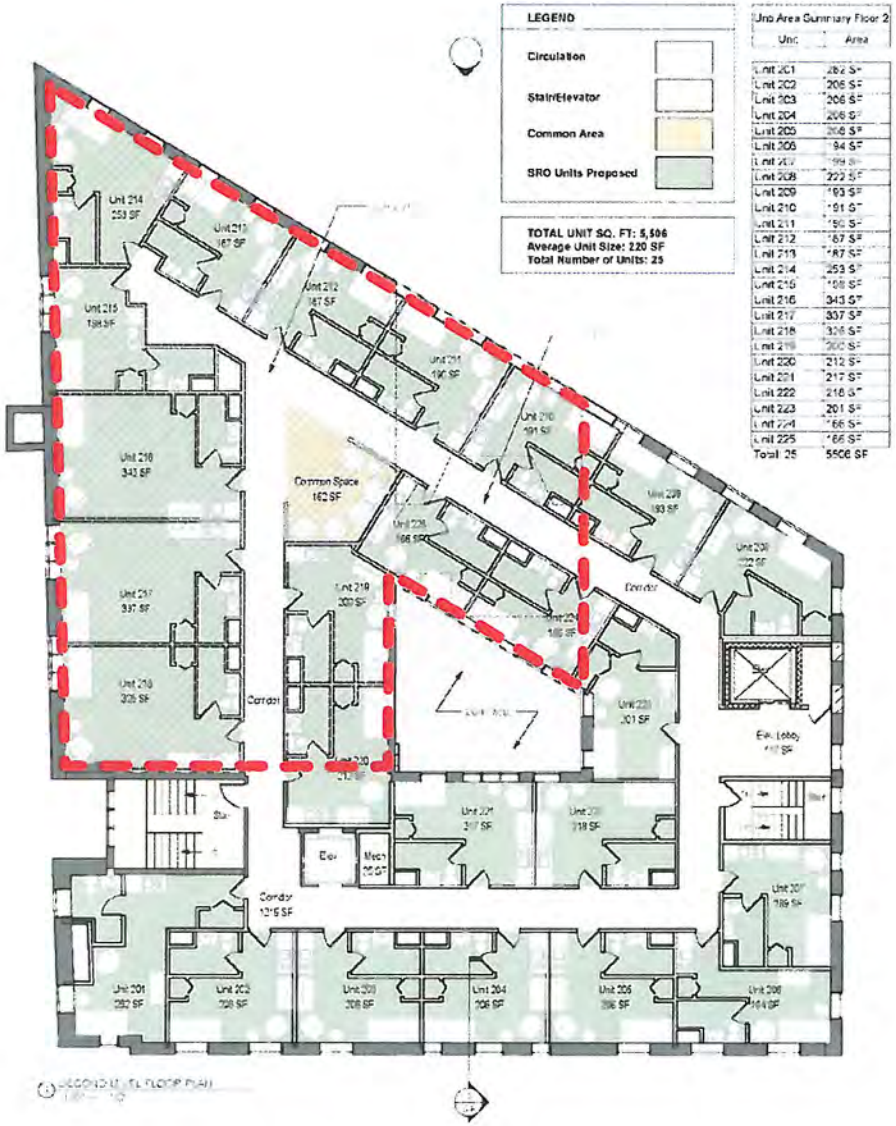
Cabot St
YMCA

YMCA
Cabot St

CABOT HOUS
Church St
22

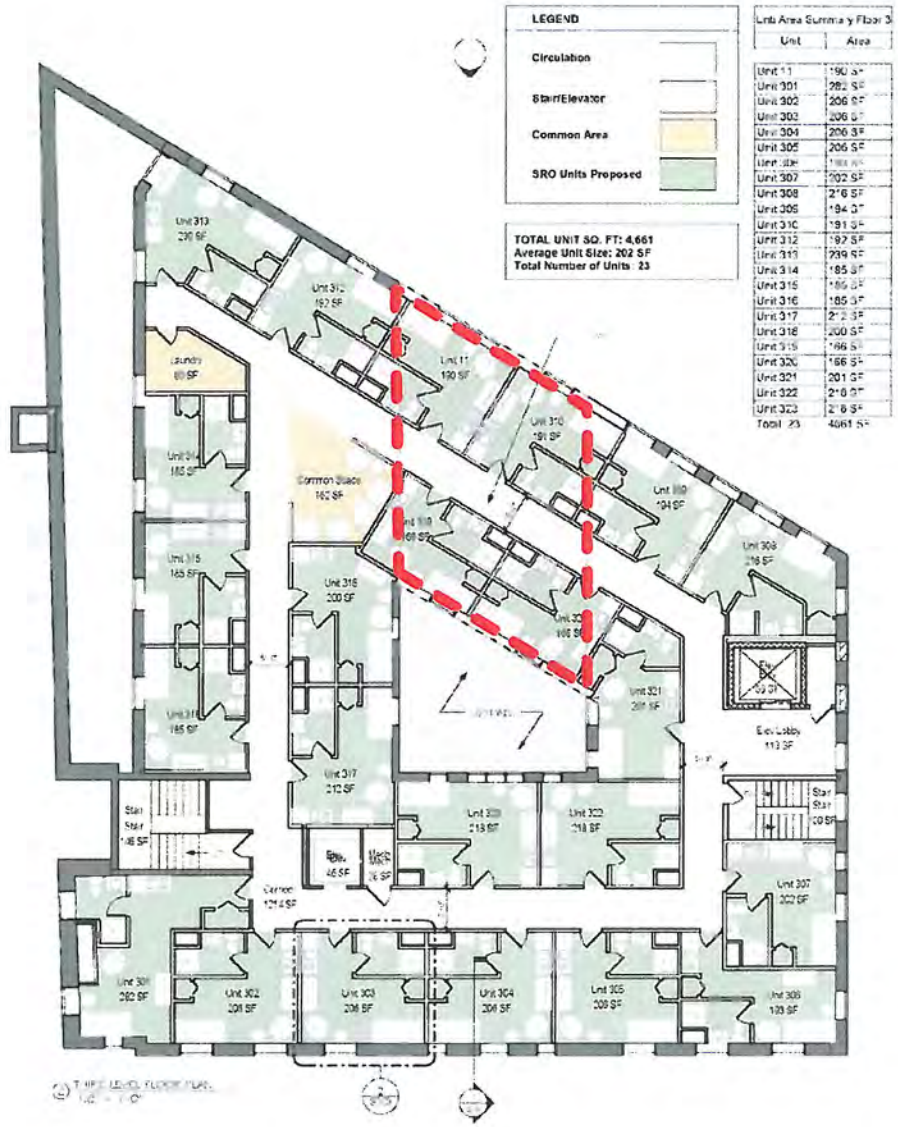
Essex St

CABOT HOUS
Church St
22



Unit	Area
Unit 201	282 SF
Unit 202	206 SF
Unit 203	206 SF
Unit 204	206 SF
Unit 205	206 SF
Unit 206	194 SF
Unit 207	199 SF
Unit 208	222 SF
Unit 209	193 SF
Unit 210	191 SF
Unit 211	190 SF
Unit 212	187 SF
Unit 213	187 SF
Unit 214	253 SF
Unit 215	198 SF
Unit 216	343 SF
Unit 217	397 SF
Unit 218	326 SF
Unit 219	300 SF
Unit 220	212 SF
Unit 221	217 SF
Unit 222	218 SF
Unit 223	201 SF
Unit 224	166 SF
Unit 225	166 SF
Total 25	5506 SF

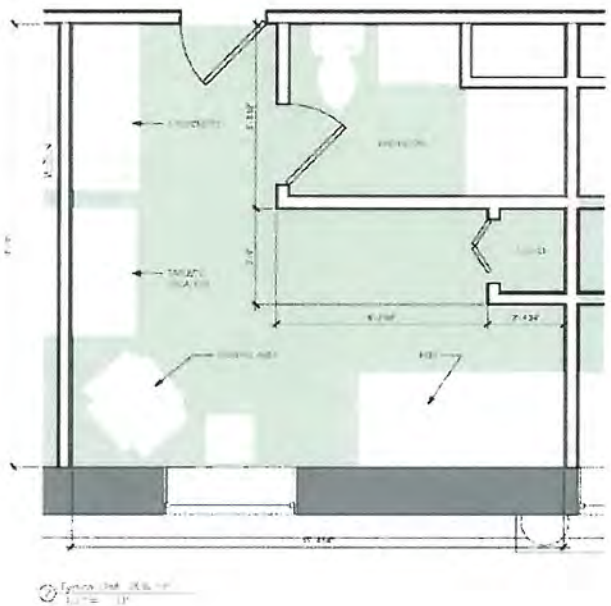
Second Floor
25 Units



Unit	Area
Unit 311	190 SF
Unit 301	282 SF
Unit 302	206 SF
Unit 303	206 SF
Unit 304	206 SF
Unit 305	206 SF
Unit 306	199 SF
Unit 307	202 SF
Unit 308	216 SF
Unit 309	194 SF
Unit 310	191 SF
Unit 312	192 SF
Unit 313	239 SF
Unit 314	185 SF
Unit 315	185 SF
Unit 316	185 SF
Unit 317	212 SF
Unit 318	200 SF
Unit 319	166 SF
Unit 320	166 SF
Unit 321	201 SF
Unit 322	218 SF
Unit 323	218 SF
Total 23	4661 SF

Third Floor
23 Units

Proposed Floors 2 and 3

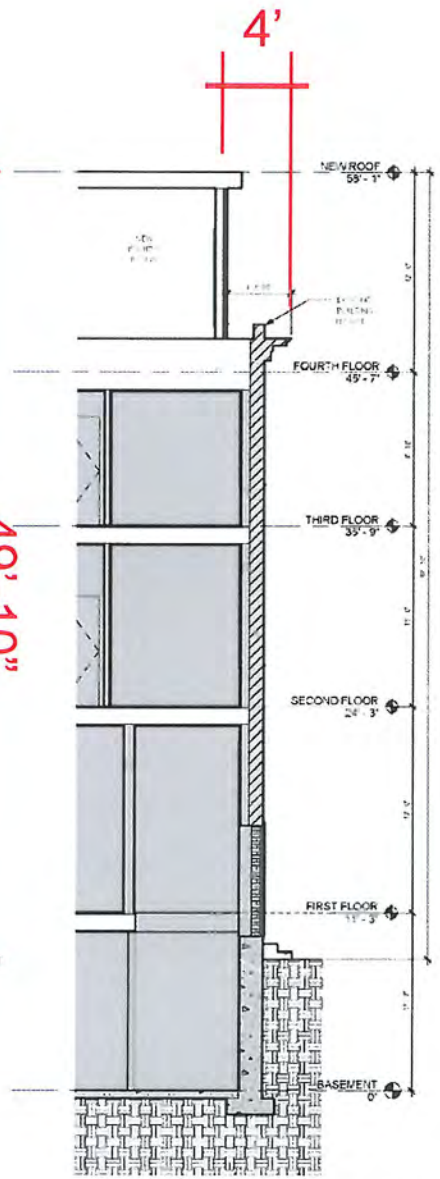


Typical Unit

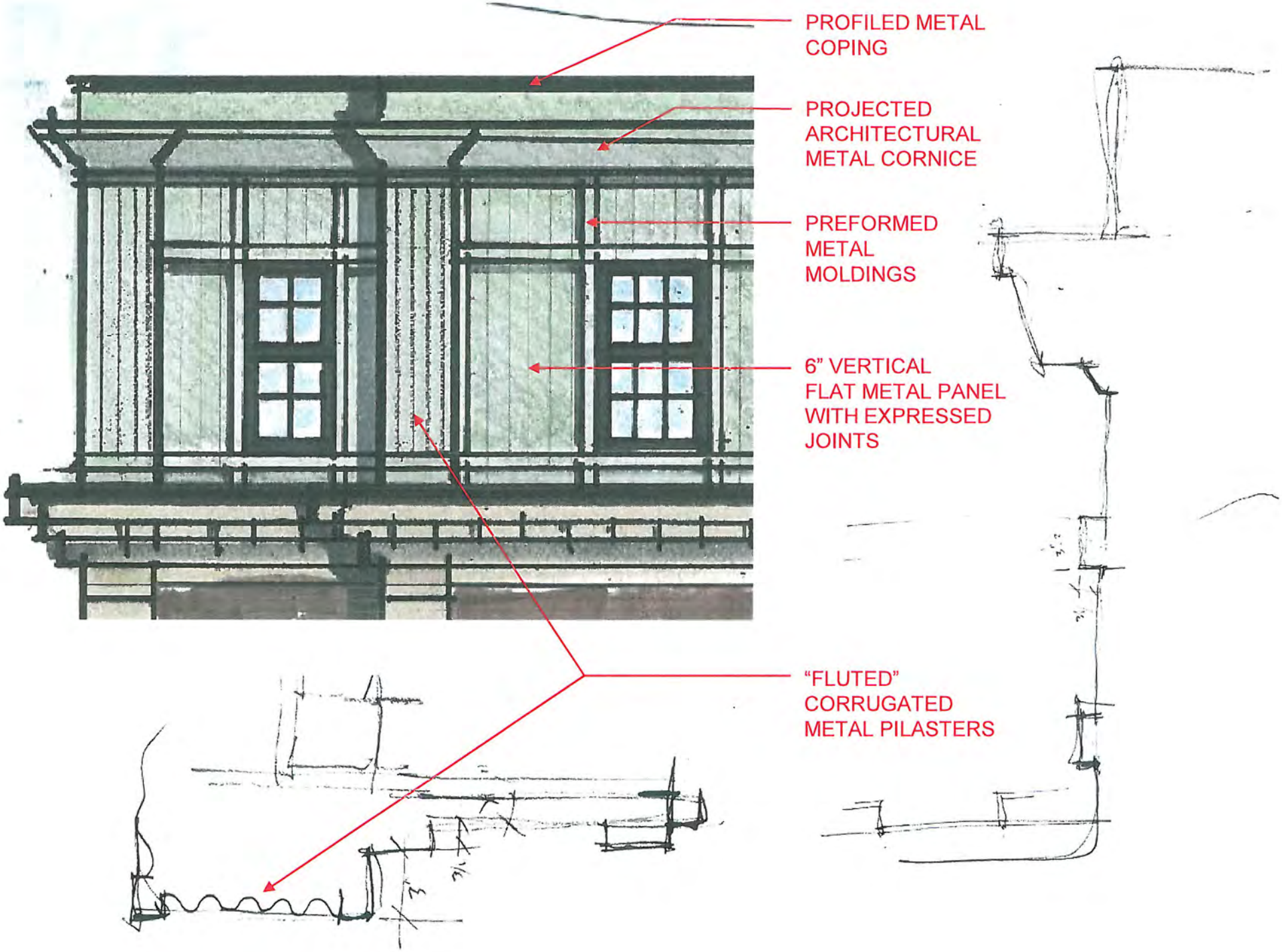
Fourth Floor
21 Units

Proposed Floor 4, 69 Total Units

CABOT STREET BUILDING ELEVATION



BUILDING SECTION


PROFILED METAL COPING
PROJECTED ARCHITECTURAL METAL CORNICE
PREFORMED METAL MOLDINGS
6" VERTICAL FLAT METAL PANEL WITH EXPRESSED JOINTS
"FLUTED" CORRUGATED METAL PILASTERS

REAR ELEVATION

SIDE ELEVATION

1908
YMCA

1908
YMCA

Prepared For:
Ms. Jacqueline Sorel
Beverly Bank
73 Lafayette Street
Salem, MA 01970

October 27, 2017

Phase I Environmental Site Assessment
245 Cabot Street, Unit 2
Beverly, MA 01915
IES Project No. 2017-10-0672

Prepared By:
IES, Inc.
50 Salem Street, Building A-Suite 108
Lynnfield, MA 01940
617-623-8880

ENVIRONMENTAL CONSULTANTS

50 Salem Street – Building A, Suite 108
Lynnfield, MA 01940
617-623-8880 • Fax: 781-224-9713
www.iesinc.com

Direct Dial Numbers

David Borans: (617) 776-8549
Daniel Jaffe: (617) 776-2715
(617) 623-8880
Kerry Asetta: ex. 206
Christopher Buchanan: ex. 203
John Beck ex. 211
Kevin Taylor: ex. 210
Ligia Rivera ex. 207
Steven Iorio: ex. 208

October 27, 2017

Ms. Jacqueline Sorel
Beverly Bank
73 Lafayette Street
Salem, MA 01970

Re: Phase I Environmental Site Assessment
245 Cabot Street, Unit 2
Beverly, MA 01915
IES Project No. 2017-10-0672

Dear Ms. Sorel:

As requested, and in accordance with the Terms of our Contract, IES, Inc. has conducted a "Phase I Environmental Site Assessment" (ASTM E 1527-13) of the above referenced property. Please note that the USEPA has established that the revised ASTM E1527-13 Standard is consistent with the requirements of the final rule for All Appropriate Inquiries (AAI) and may be used to comply with the provisions of the rule.

The following is our **Executive Summary**, which details the major findings of the report:

1. This Phase I Environmental Site Assessment consisted of a historical review, a site inspection, and research of State and local files, as depicted in Sections 1 through 5 of this report.

2. The host property consists of one, irregular-shaped parcel of land located at 245 Cabot Street, in the City of Beverly, MA. The subject site consists of a residential condominium unit (Unit 2) located on the upper floors within a three-story masonry building located at 245 Cabot Street. Unit 2 is currently occupied by residential apartments on the upper floors, while Unit 1 in the host building consists of a "YMCA". The host building contains a basement, utilizes natural gas heat, and is connected to the municipal water and sewer systems. According to the City of Beverly municipal records, the host building was constructed in around 1910.

3. The site is not listed on any EPA or DEP databases. On-site Potential Environmental Concerns (PECs) identified during this investigation include 1891 and 1896 Sanborn Atlas evidence of a former "Chinese laundry" facility in the host property; and Beverly Fire Department evidence of a former 2,500-gallon tank in the host building "basement" in 1957 and three, former 330-gallon fuel oil ASTs in the host building "basement" in 1969. According to Captain Halloran of the Beverly Fire Department, he believed that the tank records refer to former aboveground tanks. According to the Beverly City Clerk, Mr. Wesley Slate, he believed that the cornerstone for the southwest corner of the host building, which reads '1910', was laid with President William Howard Taft in attendance at that time. Therefore, it appears unlikely that an underground storage tank would be installed beneath the existing building in 1957, and the former tanks are thus considered likely to be former aboveground tanks.

4. There were no Recognized Environmental Conditions (RECs) identified during this investigation. Recognized Environmental Conditions are defined as "the presence or likely presence of any hazardous substances or petroleum products on a property under conditions that indicate an existing release, a past release, or a material threat of a release of any hazardous substances or petroleum products into structures on the property or into the ground, ground water, or surface water of the property". Also, there were no Controlled Recognized Environmental Conditions (CRECs) or Historical Recognized Environmental Condition (HREC) identified at the subject site during this investigation.

5. Nearby off-site Potential Environmental Concerns (PECs) identified during this investigation include the southerly adjoining RCRA Generator located at 237 Cabot Street (MV9789222400); the RCRA Generator located at 17 Briscoe Street (MAD982190159), situated approximately 150 feet to the east of the subject site; and the RCRA Generator located at 224 Cabot Street (MV9789270514), situated approximately 250 feet to the southwest of the subject site

6. Due to the aforementioned on-site and off-site PECs, the site is considered a "**Low/Moderate Environmental Risk"** (see **Attachment "AAA"**) regarding soil and/or groundwater contamination. Further, it is our opinion that in accordance with IES's **"Cleanup Risk Rating"**, which is depicted in **Attachment "AA"** immediately following this Summary, IES would classify the subject site as a **"Low/Moderate Cleanup Risk"**, based on the absence of any RECs identified during this investigation, and the likelihood that the former fuel oil tanks were stored aboveground.

7. Please note that if any contamination detected at the site originates from an off-site source, the site owner has the option to file a "Downgradient Property Status Submittal" pursuant to 310 CMR 40.0180. According to 310 CMR 40.0184 (1), "any person who establishes and maintains Downgradient Property Status.... Shall not be subject to the deadlines for Tier Classification and Comprehensive Response Actions" and applicable fees.

8. We have performed a Phase I Environmental Site Assessment in conformance with the scope and limitations of ASTM Practice E-1527-13 of 245 Cabot Street, Unit 2, in Beverly, MA, the property. Any exceptions to, or deletions from, this practice are described in this report. This assessment has revealed no evidence of Recognized Environmental Conditions (RECs), Historical Recognized Environmental Conditions (HRECs), or Controlled Recognized Environmental Conditions (CRECs).

9. Due to the absence of any RECs identified during this investigation, IES, Inc. has no recommendations for further inquiry at the subject site, at this time. However, should you desire to conclusively determine the current concentrations of contaminants soil and groundwater quality at the site, a subsurface investigation would be necessary. This investigation should include the advancement of test borings, monitoring well installation, soil sample screening, and laboratory analysis of soil and/or groundwater samples of any newly and previously installed wells. The cost of a subsurface investigation is estimated at $9,500.00 and can be completed within 3-4 weeks.

Furthermore, if additional data becomes available, or related quantitative or qualitative analysis is performed, IES should review the material to determine if the findings in this report should be modified.

Respectfully submitted,
IES, Inc.

Steve Iorio
Project Manager

Reviewed by:

Daniel Jaffe
President

CITY of BEVERLY
PLANNING BOARD
191 Cabot Street
Beverly, Massachusetts 01915
Phone (978) 921-6000
Fax (978) 921-6187

CITY OF BEVERLY
CITY CLERK'S OFFICE
2017 OCT 26 A 11:43

Mayor
Michael P. Cahill
Planning Director
Aaron Clausen
Chairperson
John Thomson
Vice-Chair
Ellen Hutchinson

Members
Catherine Barrett
Edwin Barrett, III
Alexander Craft
Ellen Flannery
David Mack
James Matz
Wayne Miller

October 25, 2017

Mr. D. Wesley Slate, Jr., City Clerk
Beverly City Hall
191 Cabot Street
Beverly, MA 01915

RE: DECISION: SITE PLAN REVIEW APPLICATION #129-17, SPECIAL PERMIT APPLICATION #160-17, AND INCLUSIONARY HOUSING APPLICATION #11-17 – 245 CABOT STREET, UNIT 2 – YNS AFFORDABLE HOUSING, INC.

Dear Mr. Slate:

At a meeting of the Beverly Planning Board (the "Board") held on Tuesday, September 19, 2017, the Board received the applications for a Special Permit, Site Plan Review, and an Inclusionary Housing Permit to renovate and enlarge an existing rooming house from 45 units to 69 units, including adding a 4th story to the building located at 245 Cabot Street in the CC Zoning District. All of the units will be affordable and eligible for listing on the subsidized housing inventory. A Special Permit is required for deviation from the parking requirements for a rooming house; no off-street parking is provided. A Special Permit is also required to enlarge the rooming house use.

The Planning Board conducted a public hearing on the above-referenced applications on September 19, 2017 and October 17, 2017. The public hearing was closed at the September 19th meeting and the Board voted on the matter at the October 17th meeting after discussion. Members acting on the item were Vice-Chair Ellen Hutchinson, Catherine Barrett, Edwin Barrett, Alexander Craft, Ellen Flannery, James Matz, and Wayne Miller. John Thomson recused himself from review of this application. David Mack was absent.

During its deliberation, the Board considered statements and information submitted by the applicant and its representatives and the verbal and written comments of the general public received before and during the public hearing, which have been entered into the record. Written information submitted by the applicant and considered by the Board include application form(s) and architectural plan set.

The Board also considered written comments provided by the City's Parking and Traffic Commission, the Board of Health, the Fire Department, the Design Review Board, the Conservation Commission, the Police Department and the City Engineer.

Site Plan Review

The Board then voted (7-0-1) (C. Barrett, E. Barrett, Craft, Flannery, Hutchinson, Matz, and Miller in favor, Thomson recused) to approve the Site Plan Application #129-17 as shown on the plan set, which is attached hereto and incorporated herein by reference, entitled:

> *"Proposed New Construction YMCA Cabot Housing" 6 sheets: Sheet SD.00, Site Plan, scale 1"=10', dated August 7, 2017, originally prepared for the Beverly Young Men's Christian Association by Donohoe and Parkhurst, Inc. on June 4, 1996; Sheet SD.01, Second and Third Level, scale 1/8"=1', dated August 7, 2017; Sheet SD.03, Fourth Level, scale 1/8"=1' and Typical Unit, scale ½"=1', dated August 7, 2017; Sheet SD.04, Cabot Street Building Elevation, Scale ¼"=1', dated August 7, 2017; Sheet SD.05, Rear Elevation and Side Elevation, scale not given, dated August 7, 2017; and, Sheet SD.07, Perspective View, scale not given, dated August 7, 2017; all except Sheet SD.01 prepared by Siemasko + Verbridge, 126 Dodge Street, Beverly, Massachusetts 01915.*

SUBJECT TO THE FOLLOWING CONDITIONS:

1. Compliance with any and all conditions set forth in the letters from City departments, boards, and commissions, which are attached hereto and incorporated herein by reference, including:

    - Letter dated September 7, 2017 from Gregory M. St. Louis, City Engineer;
    - Letter dated September 12, 2017 from William T. Burke, Director of Public Health;
    - Letter dated September 13, 2017 from Chris Halloran, Fire Department;
    - Letter dated September 12, 2017 from Emily Hutchings, Design Review Board; and,
    - Letter dated September 14, 2017 from Richard Benevento, Parking and Traffic Commission.

2. That upon approval, the applicant shall update the Rooming House permit with the City Council.

3. That existing Regulatory Agreement, Affordable Housing Deed Rider and Affirmative Marketing Plan, as applicable, shall be updated and drafts shall be reviewed by Planning Department staff.

4. That the Engineering Department requires the delivery of AutoCAD "as-built" drawings upon completion of the building and utility work. These drawings shall also be delivered in .pdf format generated directly from the electronic AutoCAD files. These drawings shall be delivered prior to the sale/installation of the required water meters.

Special Permit #160-17

The Board then considered Special Permit #160-17 to enlarge a rooming house use by adding 24 new units and for relief from the parking requirements, where no on-site parking will be provided. The Board heard evidence from the applicant that parking demand for this use, based on the existing tenants, is significantly lower than zoning requires (approximately 15% of current tenants own cars), and that the relocation of the childcare use currently on the site will reduce the office use related parking demand on the site. The applicant provided that parking needs will continue to be met in existing public parking facilities. The Board then made the finding that the application clearly meets all the specific Special Permit criteria, listed below:

a. That the specific site is an appropriate location for the proposed use, and that the character of adjoining uses will not be adversely affected.
b. That no factual evidence is found that property values in the district will be adversely affected by such use.

c. That no undue traffic and no nuisance or unreasonable hazard will result.
d. That adequate and appropriate facilities will be provided for the proper operation and maintenance of the proposed use.
e. That there are no valid objections from abutting property owners based on demonstrable fact.
f. That adequate and appropriate City services are or will be available for the proposed use.

In view of the foregoing, the Board found that the proposed project is in harmony with the Zoning Ordinance and specifically find that special permit criteria enumerated in Section 300-91B have been sufficiently met. The Board then voted (7-0-1) (C. Barrett, E. Barrett, Craft, Flannery, Hutchinson, Matz, and Miller in favor, Thomson recused) to grant the requested Special Permit.

SUBJECT TO THE SAME CONDITIONS STATED ABOVE.

Inclusionary Housing Permit

The Board then considered Inclusionary Housing Application #11-17 to provide 100% of the 69 units to individuals of low or moderate income as defined by Chapter 315: Inclusionary Housing Regulations. The Board found the application generally complies with the Inclusionary Housing Ordinance (Zoning Ordinance Article XV) and Regulations (Chapter 315 of the City Ordinance). The Board voted (7-0-1) (C. Barrett, E. Barrett, Craft, Flannery, Hutchinson, Matz, and Miller in favor; Thomson recused) to accept Inclusionary Housing Application #11-17,

SUBJECT TO THE SAME CONDITIONS STATED ABOVE.

Appeals from the Board's decision on the special permit may be filed in accordance with the provisions of M.G.L. Chapter 40A, Section 17, within twenty (20) days of the filing of this decision with the City Clerk.

Respectfully,

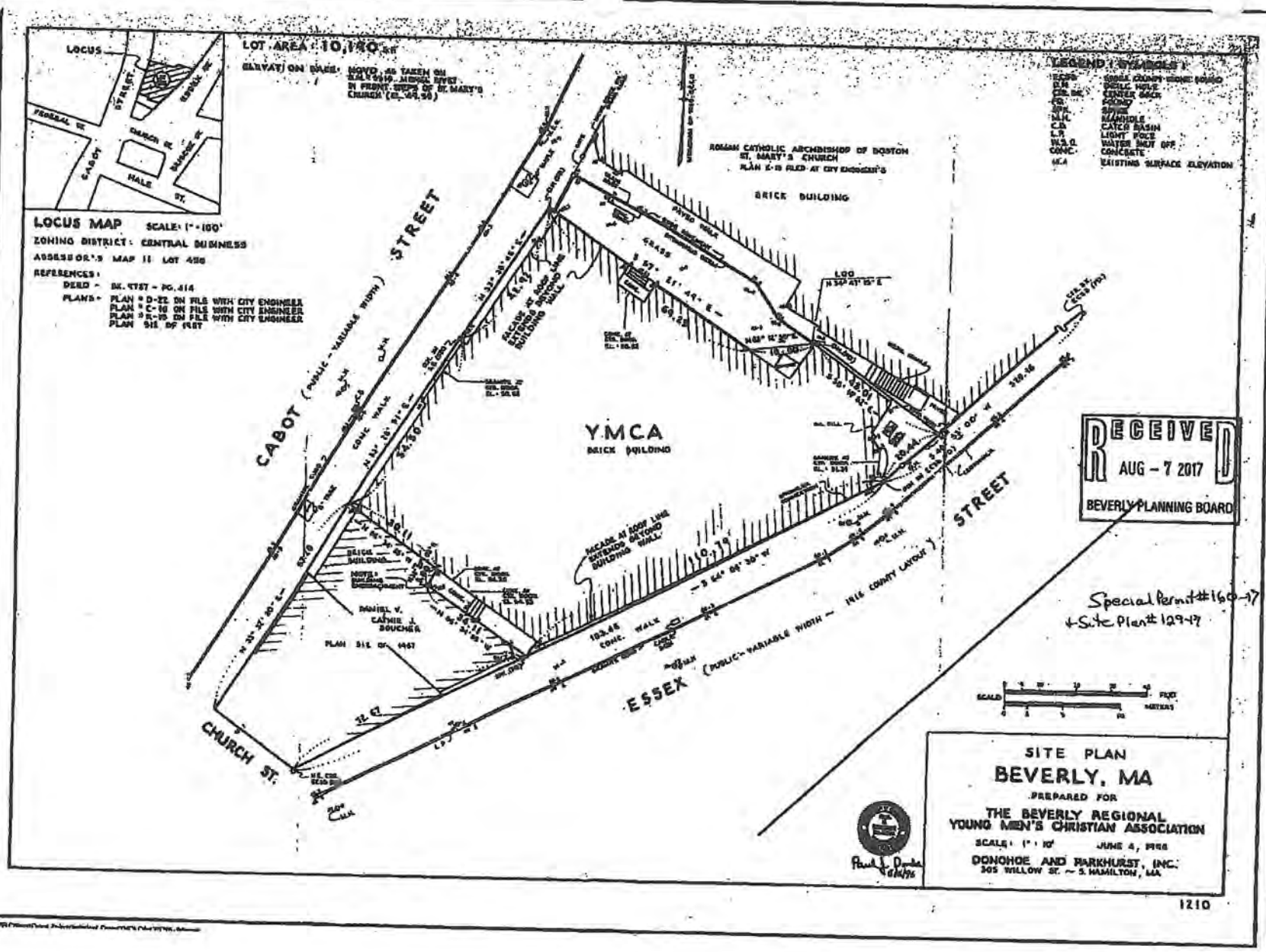
Ellen Hutchinson /AC

Ellen Hutchinson
Vice Chairperson

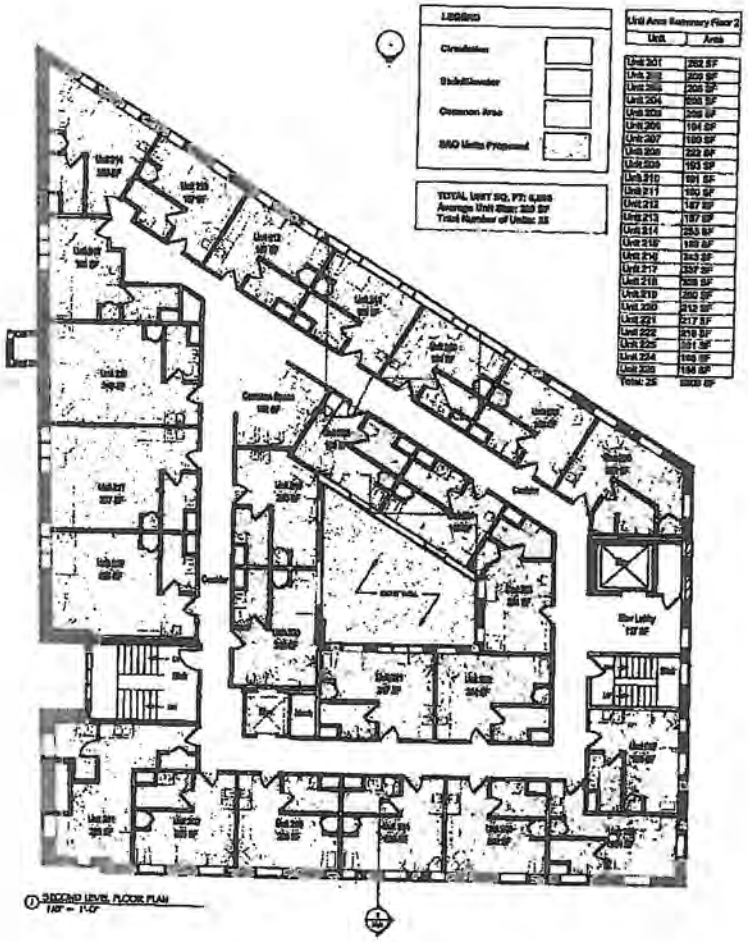
EH/AC

cc: T. Alexander, Alexander & Femino
City Engineer
Assessor's Office
Municipal Inspections
City Solicitor
File

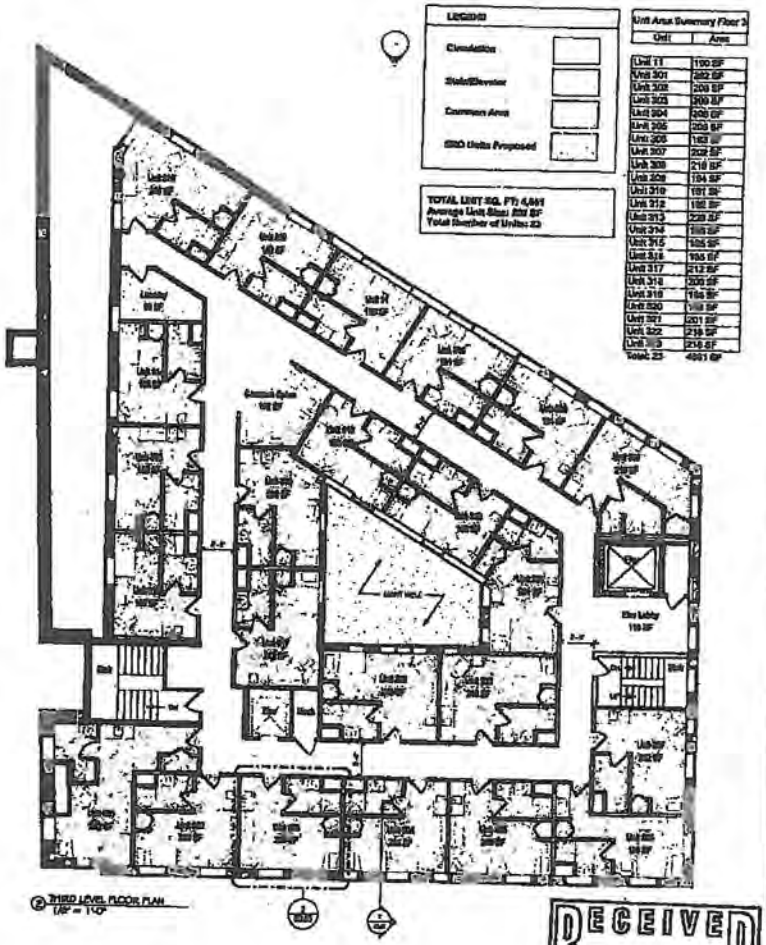
Encs.



Proposed New Construction
YMCA Cabot Housing
Siemasko + Verbridge
SD.00



Second Floor
25 Units



Third Floor
23 Units

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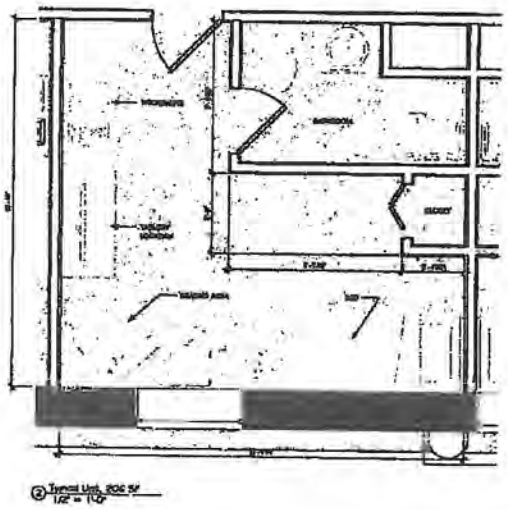
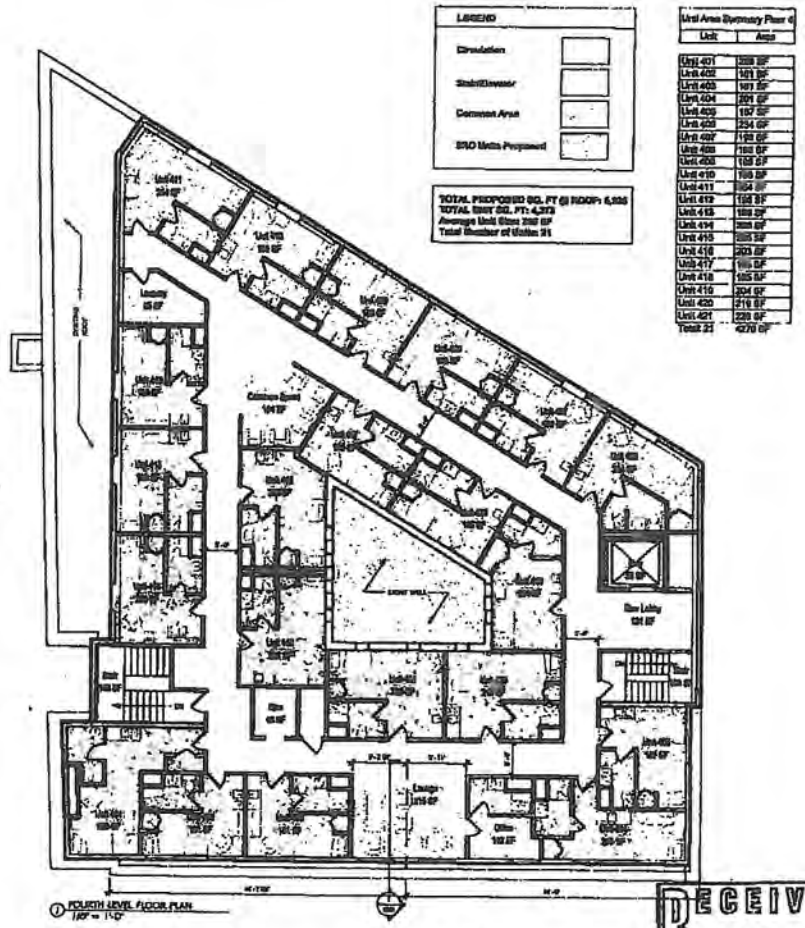
Proposed New Construction
YMCA Cabot Housing
Siemasko + Verbridge
SD.01



Typical Unit



Fourth Floor
21 Units

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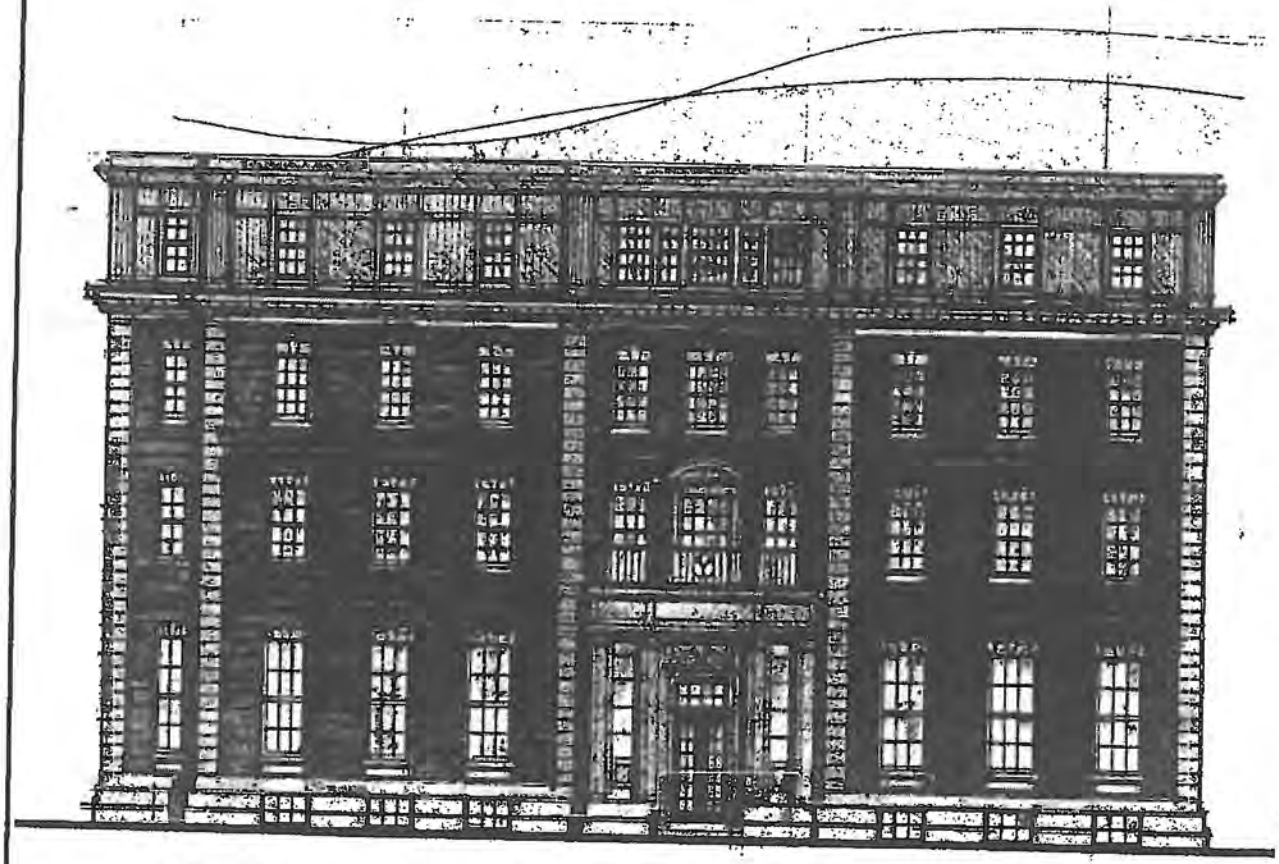
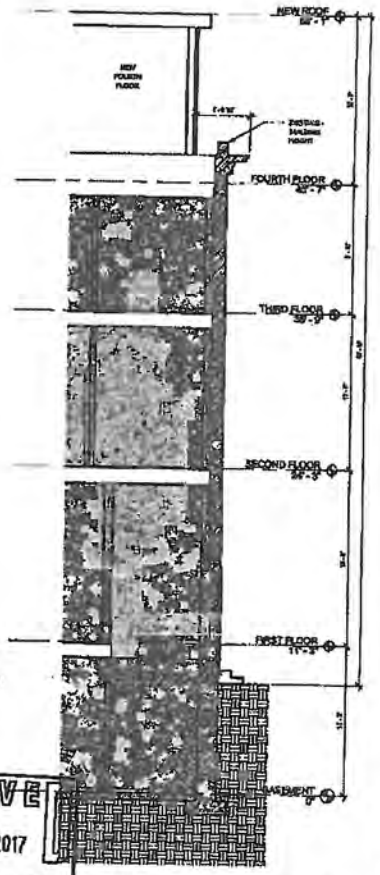
Proposed New Construction
YMCA Cabot Housing
Siemasko + Verbridge
Cabot Street
Beverly, MA
Architecture
Interior Design
Landscape Design
Project Name
Description
Drawing Label
Drawn by: Jake
Checked by: Daniel
Project Engineer
Revisions
PLANNING BOARD
SD.03



CABOT STREET BUILDING ELEVATION



BUILDING SECTION

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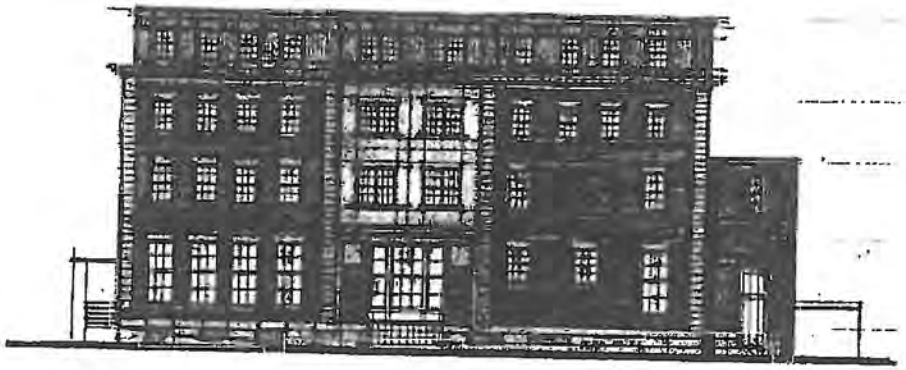
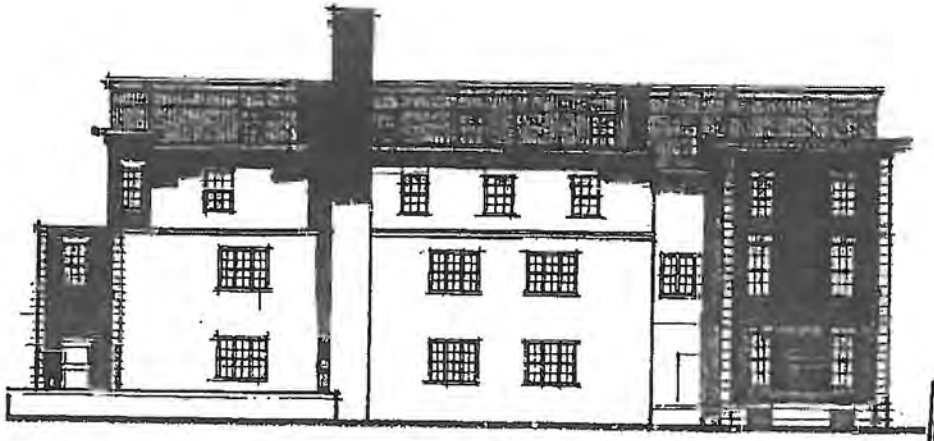
Proposed New Construction
YMCA Cabot Housing
Cabot Street
Beverly, MA

Siemasko + Verbridge

SD.04



REAR ELEVATION



SIDE ELEVATION

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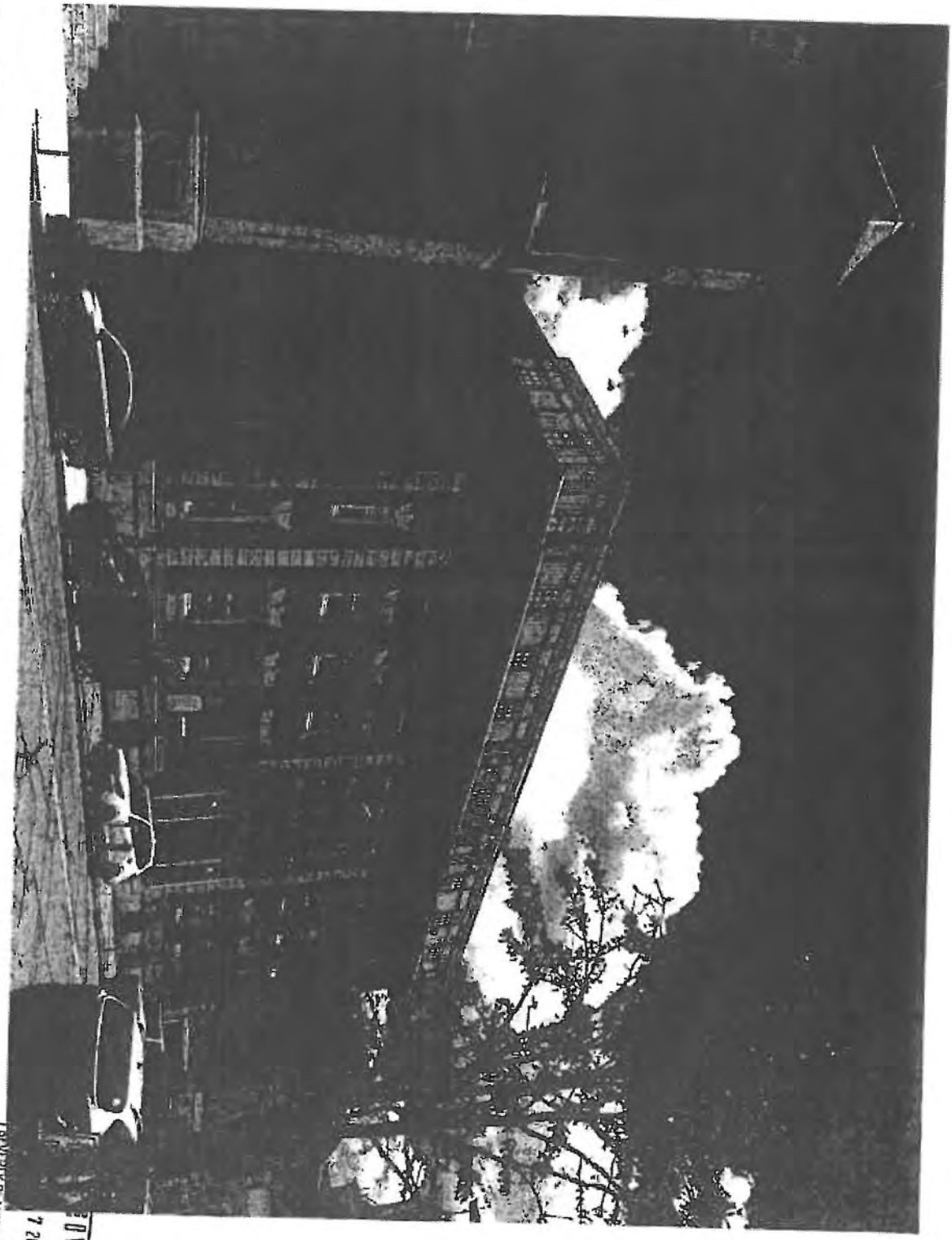
Proposed New Construction
YMCA Cabot Housing
Cabot Street
Beverly, MA

Siemasko + Verbridge
Architecture
Interior Design
Landscape Design
Preparing

Revisions
PLANNING BOARD

SD.05



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SD.07

Proposed New Construction

YMCA Cabot Housing

Cabot Street
Beverly, MA

Siemasko + Verbridge

Architecture
Interior Design
Landscape Design
Preserving

Project Name
Description
Project Ver
Date
Drawn by: Jeffer
Checked by: Gader
Title Name
Project #

Revisions
PLANNING BOARD
Issue | Date & Issue Description | Check | By

CITY OF BEVERLY
DEPARTMENT OF PUBLIC SERVICES AND ENGINEERING
148 Park Street
Beverly, Massachusetts 01915
978-921-6053
978-921-8534 facsimile

Michael P. Collins, P.E.
Commissioner of Public Services and Engineering

James Turcotte
Project Coordinator

Gregory M. St. Louis, P.E.
City Engineer

September 7, 2017

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SEP 19 2017
BEVERLY PLANNING BOARD

John Thomson
Planning Board Chair

RE: Engineering Department – Review Comments
245 Cabot Street

On behalf of the City of Beverly Engineering Department, we have reviewed the revised application pertaining to 245 Cabot Street – Site Plan #129-17, Special Permit #160-17 and Inclusionary Housing Application #11-17

Below please find the following comments for clarification or revision:

1. The applicant is seeking a special permit to allow for the deviation of the parking requirement. The applicant should be aware that within 6 months the current on-street parking will become priced at market rate, potentially affecting the residents utilizing the spaces. The applicant should look into providing parking at some off site location.
2. Parking reduction based on specific use may require deed restricted as necessary.
3. All staging to be from Essex Street if necessary.
4. Construction vehicle parking should be restricted to off street areas to the maximum extent practicable. Contractors should be restricted from parking on Cabot Street.
5. Water/Sewer Connection Permits Required. A Water Demand Fee will assessed based on Domestic and Fire Protection Lines at the Foundation. Water Demand Fee due prior to Building Permit.

This completes the Engineering Department's review at this time. Please feel free to contact our office at your convenience to discuss the above comments or the project as a whole.

Regards,

Gregory M. St. Louis, PE
Beverly City Engineer

CITY of BEVERLY
BOARD of HEALTH
90 Colon Street
Beverly, Massachusetts 01915
Phone (978) 921-8591
Fax (978) 922-5695

Public Health
Prevent. Promote. Protect.

Mayor
Michael P. Cahill
Director of Public Health
William T. Burke III, RS, CHO

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SEP 13 2017
BEVERLY PLANNING BOARD

September 12, 2017

Arron Clausen
Director of Planning
City Hall – 191 Cabot Street
Beverly, MA 01915

Re: Site Plan Review Application #129-17, Special Permit Application #160-17 – 245 Cabot Street – NSY Affordable Housing Inc

Dear Mr. Clausen:

A representative of the Beverly Health Department has reviewed the aforementioned August 7, 2017 plan prepared by Siemasko + Verbridge. The plans will meet the Board of Health's requirements if the following recommended comments are included in the Planning Board's approval process.

- The applicant shall prior to site work start-up/demolition and during site construction, employ a licensed pest control firm for site evaluation and service. A copy of the service program is to be sent to the Health and Planning Departments.

- If fill is to be brought on site, the applicant/developer must comply with Board of Health Regulation, Chapter 15: Soil and Solid Fill Regulations.

- The applicant shall employ an acceptable method for dust control and street cleaning during demolition and construction.

- Any hazardous/special waste, such as asbestos, must properly managed and disposed of in accordance with applicable law prior to demolition.

- In accordance with Beverly Board of Health Regulation, Chapter 11, "Regulation for Noise Control", noise sources associated with construction, repair, remodeling, or grading of any real property are exempt, provided said activities do not take place between the hours of 8:00 pm and 7:00 am on weekdays, including Saturday, nor at any time on Sunday or federal, state or local holiday.

- The design proposal must concur with the Municipal Engineering Department, Municipal Inspections Department and Conservation Commission for all applicable utility connections (water supply, sanitary waste, gas, etc.) and drainage requirements.

- Consideration must be given to prevent the occurrence of excessive noise from HVAC and refrigeration systems. The Mass DEP policy states that a noise source will be considered to be violating the DEP noise regulation (310 CMR 7.10) if the source increases the broadband sound level by more than 10db(A) above ambient.

- Consideration must be given to prevent the occurrence objectionable conditions associated with trash storage/disposal. In accordance with City of Beverly Ordinance Article IV, Sec. 9-71(1) – Each dumpster must be located at a minimum distance of ten (10) feet from the lot line as not to interfere with the safety, convenience or health of abutters or residents.

- The final surface must be graded so as not to create any stagnant water and/or run-off, which could create objectionable conditions.

- All wastes generated by development activities must be appropriately stored and removed in a timely manner.

Sincerely,

For The Beverly Board of Health

William T. Burke III, RS, CHO
Director of Public Health

City of Beverly
Fire Department Bureau of Fire Prevention

15 HALE STREET
BEVERLY, MA 01915
Tel: (978) 927-2200 Fax: (978) 922-1879

September 13, 2017

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Planning Board
City Of Beverly
191 Cabot Street
Beverly, MA 01915

Subject: Site Plan Review Application # 129-17 and Special Permit Application # 160-17, and Inclusionary Housing Application # 11 -17- 245 Cabot Street, Unit 2 – Renovate and enlarge rooming house units from 45 to 69 with deviation from parking requirements and building height of 58 ft. 1 in. – YNS Affordable Housing Inc.

Dear Planning Board Members:

After reviewing the above subject matter, Beverly Fire Prevention has no issues with the current proposed plans at this time. However a review of the plans and discussion of the tenants and their status during the construction is required.

Thank you

Sincerely,

C. Hallo

Chris Halloran
Captain – Beverly Fire Prevention

CITY of BEVERLY
DESIGN REVIEW BOARD
191 Cabot Street
Beverly, Massachusetts 01915
Phone (978) 921-6000
Fax (978) 921-6187

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BEVERLY PLANNING BOARD

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Michael P. Cahill
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Sandra Cook

Members
Karen Bebergal
William Finch
Ellen Flannery
Emily Hutchings
Rachel Matthews
Joel Margolis
Matthew Ulrich

September 12, 2017

Mr. John Thomson, Chairperson
Beverly Planning Board
191 Cabot Street
Beverly, MA 01915

RE: Site Plan Review – 245 Cabot Street – YMCA Cabot Renovation

At the September 7, 2017 meeting of the Beverly Design Review Board (the "Board"), members of the Board reviewed the above referenced submittal, shown on the following drawings.

> (1) "SD.00 Site Plan," 1"= 10', August 7, 2017, prepared by Siemasko + Verbridge, 126 Dodge Street, Beverly, MA 01915; (2) "SD.01 Second and Third Level," 1/8"=1', August 7, 2017, prepared by Siemasko + Verbridge, 126 Dodge Street, Beverly, MA 01915; (3) "SD.03," 1/8"=1', August 7, 2017, prepared by Siemasko + Verbridge, 126 Dodge Street, Beverly, MA 01915; (4) "SD.04 Elevation and Section," 1/4"=1', August 7, 2017, prepared by Siemasko + Verbridge, 126 Dodge Street, Beverly, MA 01915; (5) "SD.05 Elevations," August 7, 2017, prepared by Siemasko + Verbridge, 126 Dodge Street, Beverly, MA 01915; (6) "SD.07 Perspective View," August 7, 2017, prepared by Siemasko + Verbridge, 126 Dodge Street, Beverly, MA 01915.

At the conclusion of its discussion, the Board unanimously recommends that the Planning Board approve the proposed plans with the following conditions.

1. Prior to the issuance of a building permit, the applicant must return to the Board with additional architectural details within the plans, including, but not limited to, form, color, materials, and texture. Such details will also place emphasis on important architectural features, such as windows, cornices, and other aspects of the building's façade. Only with the Board's approval of these details should the applicant then apply for a building permit.

Thank you for your consideration and the opportunity to comment on this application. Please do not hesitate to contact me if you have questions relative to the Board's deliberations.

Sincerely,

Emily Hutchings
Associate Planner

CC: Tom Alexander, Esq.
File

CITY of BEVERLY
PARKING AND TRAFFIC COMMISSION
191 Cabot Street
Beverly, Massachusetts 01915
Phone (978) 921-6000
Fax (978) 921-6187

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BEVERLY PLANNING BOARD

Mayor
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Chairman
Richard J. Benevento

Members
Ins. Stephen Tanzella
Sgt. Antonio DiRuzza
Richard Hutchinson
John Somes
George Bins
Aaron Clausen
John Lozada
Michael Collins

September 14, 2017

Mr. John Thomson, Chairperson
Beverly Planning Board
City Hall, 191 Cabot Street
Beverly, MA 01915

RE: Recommendation to the Planning Board: Special Permit #160-17 and Site Plan Review #129-17: Renovate/expand existing rooming house – 245 Cabot Street

Dear Mr. Thomson:

At a meeting of the City of Beverly Parking and Traffic Commission ("Commission") held on Tuesday, September 5th, members of the Commission conducted a review of plans for the proposed redevelopment project located at 245 Cabot Street by YNS Affordable Housing, Inc. The project proposal is for the renovation and expansion of the existing building owned and managed by the YMCA of the North Shore. The existing building consists of 45 single occupancy rooms, administrative offices, indoor recreational facilities and day care use, among other space supporting YMCA programming. The proposed renovation will enlarge existing residential rooms to include a kitchen whereas now tenants make use of shared kitchen space. The renovation will include the addition of a fourth floor, provide an additional 24 units, and provide new shared communal space for residents. The renovation and expansion will replace recreational facilities, childcare services, and the squash court located above the top floor.

During the meeting the project proponent submitted and presented data to demonstrate the effects of the proposed project on parking and traffic relative to the existing condition. Please find enclosed with this recommendation a copy of the document entitled "Cabot House Concept and Parking Information" submitted to the Commission summarizing these impacts.

Following discussion and based on project information provided in the enclosed document the Commission found the following with respect to parking and traffic:

- Relocating existing Childcare services to the Sterling Center located on Essex Street will reduce daily trips to the project site a minimum of 61 trips per day. This includes 20 families daily drop off and pick-up, as well as relocation of Childcare staff (ranging from 7 – 10 employees).

- The residents served by The Cabot House are low income individuals less likely to own a vehicle and is demonstrated in the Parking Information letter. A survey of car ownership by current tenants shows that 7 out of the 45 tenants own a car (15% of current tenancy). Based on the survey it is assumed that tenants of the new units could add between 3 – 4 new cars.

- Staffing support for the housing component of the project proposal includes 3 full time employees including a Case Manager, Property Manager, and Maintenance technician. Current staffing serving residents include a part time Property Manager.

- Additional units created with the project proposal will facilitate a partnership with Northeast ARC to provide housing units for DDS Participants. These residents will often utilize paratransit transportation services and will not be operating their own vehicles.

- Currently there are a number of parking spaces and loading areas located behind the subject property on Essex Street that provide dedicated space for families to drop-off and pick-up for Childcare services. These spaces can be repurposed to better serve the proposed changes to building uses within the subject property.

- It is expected that there will be a net reduction in daily trips to and from the subject property based on the proposed relocation of the Childcare services to the Sterling Center as it is weighed against new tenants and resident support staff.

- It is expected that parking demand will be similar or less based on relocation of Childcare staff to Sterling Center when weighed against new residents and resident support staff.

In view of the forgoing the Commission voted unanimously to recommend approval of the site plan and special permit referenced above, subject to the following condition:

1. The project proponent will submit a plan to the Parking & Traffic Commission for review and approval proposing changes to on-street parking spaces and loading zones restrictions to better reflect the proposed building uses. The plan at a minimum should consider removing current pick-up/drop-off restrictions placed on parking spaces, and consolidate loading areas to maximize public parking while serving the needs of the subject property.

The Commission would like to thank the Planning Board for the opportunity to comment on this project. Please feel free to contact me or Aaron Clausen, Planning Director, if you have any questions relative to the Commission's recommendation.

Respectfully,

Richard Benevento
Chairman

RB/ac

cc: Parking & Traffic Commission members
Aaron Clausen, Planning Director
Greg St. Louis, City Engineer
Thomas Alexander, Attorney for Applicant

file

Cabot House Concept and Parking Information

The YMCA of the North Shore is a community bedrock organization. Its Y location on Cabot Street continues to serve local residents as it has for many decades. Over the years the Cabot Y has grown and changed with the needs of the community. Now, it is home to Y administrative offices, 45 single occupancy rooms with shared common areas including bathrooms, a kitchen, and some programming space. With the changing needs of the community and the new expansion currently underway at the Sterling Center Y, the Cabot Y facility is evolving once again.

The plan includes all childcare services at the Cabot Y location will be relocated to the improved Sterling Center facility in late 2017 or early 2018. This will result in the elimination of pick up and drop off activity at the Cabot Street location for roughly 20 families each weekday morning and afternoon. It will also result in 7-10 childcare staff members moving from the Cabot Y to the Sterling Y. Exercise and athletic activity will be almost entirely shifted from the Cabot Y to the Sterling Y. There will be some modest exercise space remaining for downtown residents and employees who are likely to walk to the building. The administrative staff at the Cabot Street location is currently in the 25-30 range. Of those, 10-20% use public transportation. This number should be relatively flat with a projected cap of 35.

In addition to these changes, we will be engaging in an improvement and expansion program for the existing housing units. There is significant square footage inside the building that is underutilized due to changing community habits and the shift of activities to the much more programmatically effective and up-to-date Sterling Center. Additionally, there are features on the roof area now including a marginally accessible and underutilized squash court and significant mechanical systems that can be removed or relocated.

With these spaces in mind a renovation is proposed to meet three major goals.

First, improve the lives of the current and future residents by improving the layout and structure by reconfiguring and expanding existing units and common spaces. A fourth floor will be added. This floor will be under the allowed height limit and it will replace several current roof features including the squash court. This will result in a significant increase in the square footage of very small rooms as they are turned into studios. It will also allow for the addition of a kitchenette to each unit eliminating the common area kitchen.

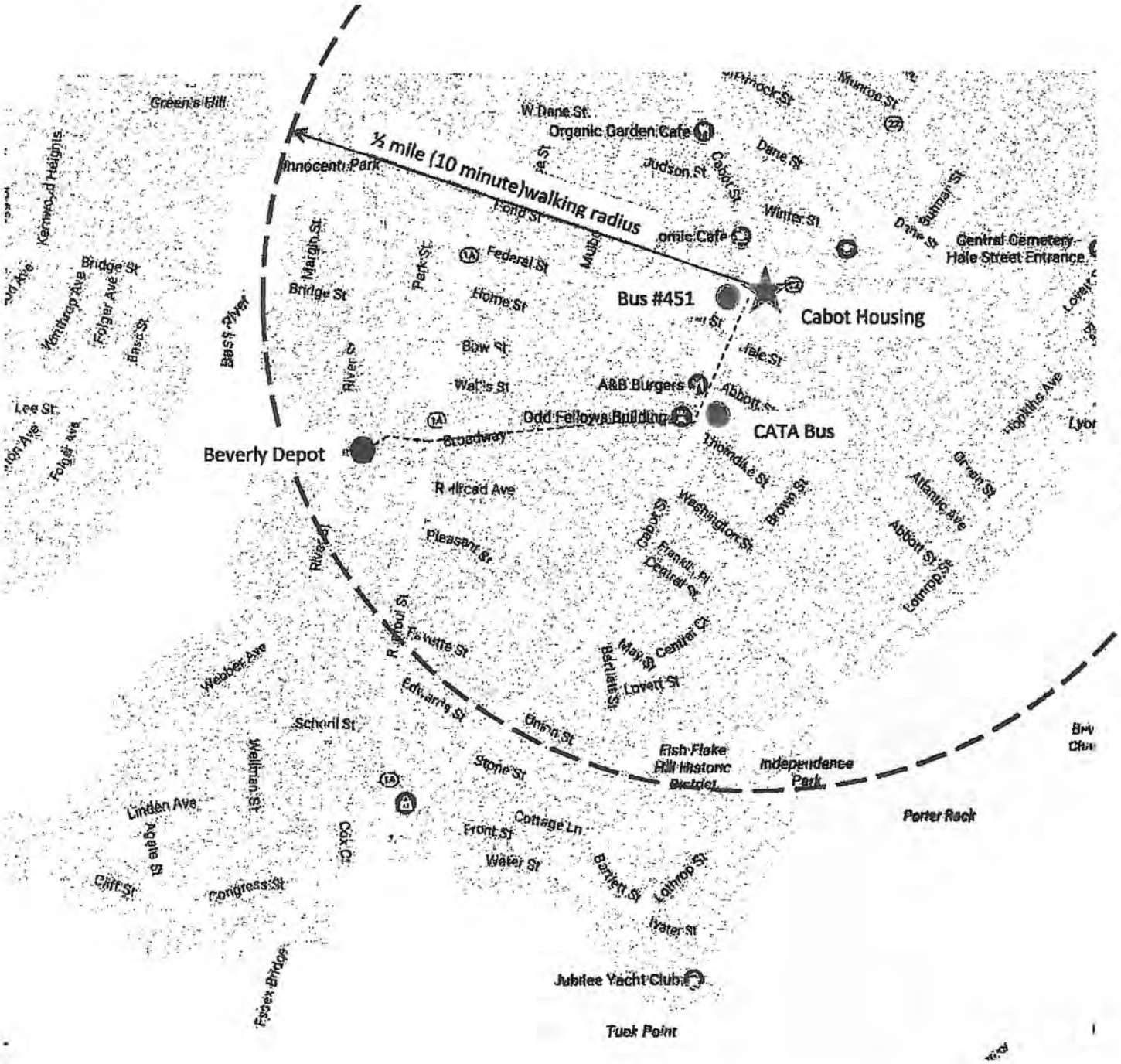
Second, increase the volume of units from 45 to an estimated 69. This will allow a set aside for DDS participants in a service partnership with Northeast ARC and a set aside for the formerly homeless as a part of the MOU resulting from the Mayor's Homelessness Task Force. The latter is intended to work toward solving the local homelessness crisis in the area by working with Salem and Peabody to create long-term housing for those in need. It will also allow Beverly as a community to take steps toward addressing issues highlighted in the recent Housing Needs Assessment from 2016. This assessment included information showing that 1,350 Beverly residents are "severely cost burdened", paying more than 50% of their income for rent. Of these, more than 1,000 are either seniors or non-senior single adults. 1 It is also important to note that the unit increase will be one small way Beverly will participate

in addressing the significant housing shortage in the region noted in multiple local reports including Unlocking the Commonwealth by Mass Housing Partnership.2

Third, the increase in unit volume along with the partnership with Northeast ARC will allow us to provide a much higher degree of staffing onsite to support the health of our residents, their independence, and wellbeing. The intent is to have a full-time Case Manager, a full-time Property Manager, and a full-time Maintenance Technician for the project. This increase in scale and the associated financing is what can make this dramatic increase in staffing support systems possible.

Parking Data

- There will be a reduction in childcare staff of 7-10.
- Administrative staffing will remain roughly flat at 25-30 with a possible growth to 35.
- 20 separate childcare drop off actions will be eliminated each weekday morning and afternoon.
- Significant public transport via the Commuter rail line, the CATA bus, and the MBTA bus are available and it is expected that the majority of residents will use this service. A map is attached for reference.
- 272+ public spaces are available in the immediate area. Please see the attached map.
- 45 current residents with a projected 69 residents. Currently 7 residents have a car or 15%. Projected out we expect an additional 3.6 cars for residents. A table is attached for reference.



CABOT HOUSING
245 Cabot Street, Beverly
Transportation

Distance to Beverly Depot, MBTA Commuter Rail to Boston/Gloucester/Rockport:
0.5 miles walking

MBTA Bus #451 to Salem/ North Beverly/Cummings Center:
0.0 miles

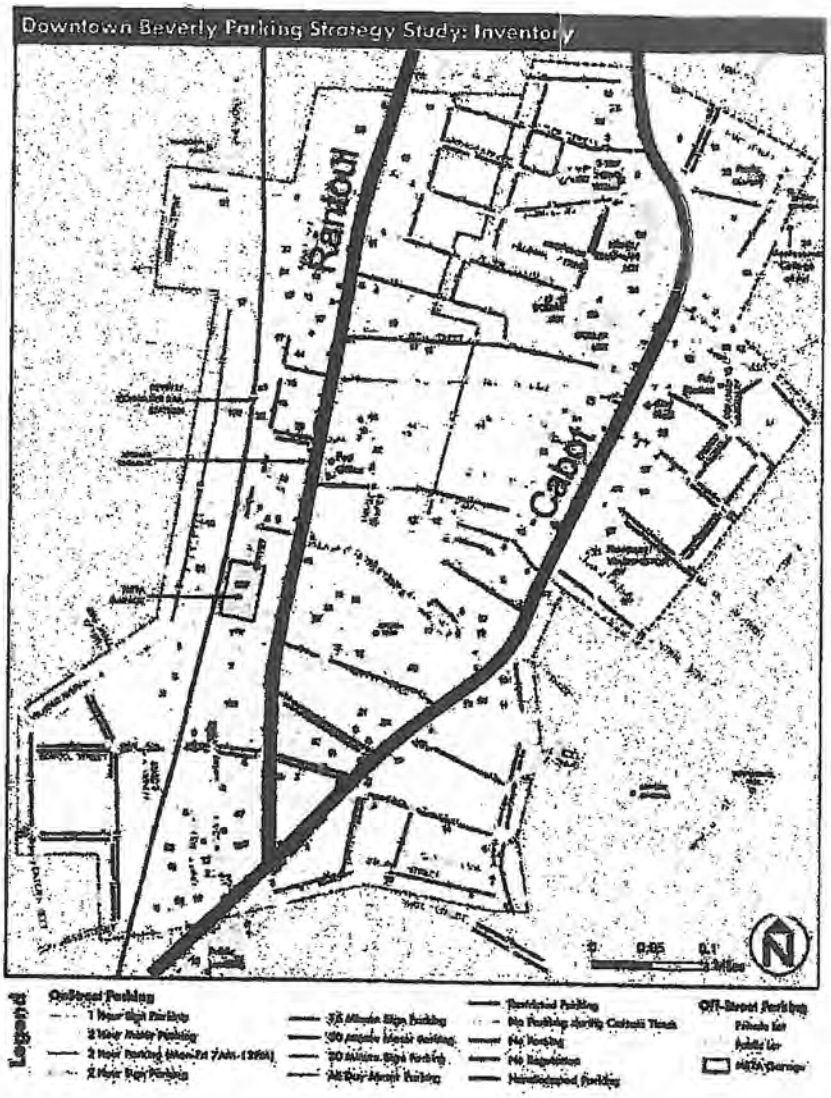
CATA Bus Yellow Line to North Beverly, Beverly Hospital, Stop & Shop, Cumming Center:
0.1 miles

Study Area

On-Street Parking Regulation	# of Spaces	% of On-Street	% of Total
15 Min Free Parking	47	3%	1%
30 Min Free Parking	18	1%	0%
30 Min Metered Parking	8	0%	0%
1 Hour Free Parking	76	5%	1%
2 Hour Free Parking	32	2%	1%
2 Hour Free Parking (Mon-Fri 7 AM-12 PM)	18	1%	0%
2 Hour Metered Parking	255	15%	5%
All Day Metered Parking	70	4%	1%
Handicap Parking	22	1%	0%
No Parking 6AM-10AM	23	1%	0%
No Parking 6PM-6AM	140	8%	3%
Restricted Parking	3	0%	0%
Unregulated	954	57%	18%
SUBTOTAL	**1,666**	**100%**	**32%**

Off-Street Parking Regulation	# of Spaces	% of Off-Street	% of Total
Public	409	12%	8%
MBTA Garage	507	15%	10%
Private/Restricted	2,578	74%	50%
SUBTOTAL	**3,494**	**100%**	**68%**

Total Inventory: 5,160 spaces



CHAPMAN/POND Lot: 99 Parking Spaces
Pond Lot: 63 Parking Spaces
Two Rear Dollar Store Lots: 110 Spaces

Cabot YMCA Housing and Car Use Data

Units	Cars
201	1
202	0
203	1
204	1
205	0
206	0
207	0
208	0
209	0
210	0
211	0
212	0
213	0
214	0
215	0
216	0
217	0
301	1
302	0
303	0
304	0
305	0
306	0
307	0
308	1
309	0
310	0
311	1
312	0
313	0
314	0
315	0
316	0
317	0
318	0
319	0
320	0
321	0
322	0
323	1
324	0
325	0
326	0
327	0
328	0
3 new move in's 9/1 do not have cars	7

15% have cars

24 new units projected 3.6 Total New Projected Cars

CITY of BEVERLY
HISTORIC DISTRICT COMMISSION

191 Cabot Street
Beverly, Massachusetts 01915
Phone (978) 921-6000
Fax (978) 921-6187

Mayor
Michael P. Cahill
Chairperson
William Finch

Members
Suzanne LaMont
Wendy Pearl

May 1, 2018

Elizabeth Sherva
Preservation Planner
Massachusetts Historical Commission
220 Morrissey Boulevard
Boston, MA 02125

Dear Ms. Sherva

The Beverly Historic District Commission (HDC) was pleased to be able to address comments voiced about the anticipated expansion of the YMCA at 245 Cabot Street during the April 2018 HDC meeting. The Beverly HDC is now in support of the project, with the following paragraphs noting how the Commission's comments were addressed by Harborlight Community Partners and their architect at the April meeting:

1. Concerning clarification on which profiles of window muntins are being used for the windows to be replaced in connection to the building's expansion: confirmation was provided that the windows would have 5/8" wide clad exterior and wood interior grills, with the exterior grill profile being a reasonable approximation of a traditional puttied muntin. The HDC had no further comment regarding the replacement windows.

2. Concerning the perceived replacement of existing original wood windows on the first floor front façade: it was emphasized that the aforementioned windows would not be altered or removed during the current expansion project.

3. Regarding the use of corrugated metal and the detailing of pilasters in the design of the building addition: materials and details were reviewed and discussed. At the conclusion of the discussion, the Beverly HDC determined that previous concerns had been addressed.

Thank you for the opportunity to follow up on comments. There being no additional concerns, the Beverly HDC restates its support of the project. Should there be any questions about the presented comments, please contact Associate Planner Emily Hutchings at 978-605-2346 or ehutchings@beverlyma.gov.

Sincerely,

William Finch

William Finch, Chairman
Beverly Historic District Commission

The Commonwealth of Massachusetts

William Francis Galvin, Secretary of the Commonwealth
Massachusetts Historical Commission

May 30, 2018

Kevin McCarthy
CFO
YMCA of the North Shore
245 Cabot Street
Beverly, MA 01915

RE: Cabot Housing, YMCA Building Renovation and Expansion, 245 Cabot Street, Beverly, MA; MHC# RC.63233

Dear Mr. McCarthy:

Staff of the Massachusetts Historical Commission (MHC) have reviewed the information that was submitted by Harborlight Community Partners, received at this office on May 7, 2018, for the project referenced above. The staff of the MHC have the following comments.

The proposed project consists of renovation of the YMCA building at 245 Cabot Street. The proposed project also includes the demolition of squash courts and the addition of a fourth floor, the expansion of the 2nd and 3rd floor "bridge" at the north of the building, and expansion of the second floor structure into the upper half of the existing gymnasium. The project also consists of replacement of upper floor vinyl windows with integral light, double hung, 6 over 6 wood-clad windows. The historic windows on the first floor will be retained and repaired. The information provided indicates that the project will use funding from the Department of Housing and Community Development (DHCD).

Review of the MHC's *Inventory of Historic and Archaeological Assets of the Commonwealth* indicates that the Young Men's Christian Association (YMCA) at 245 Cabot Street (BEV.131) is listed in the State and National Registers of Historic Places as a contributing element of the Beverly Center Historic District (BEV.A).

After review of MHC's files and the information submitted, MHC has determined that the proposed project will have "no adverse effect" (950 CMR 71.07(2)(b)(2)) on the Young Men's Christian Association (YMCA) building.

Please note that these comments are offered to assist in compliance with M.G.L. Chapter 9, sections 26-27C (950 CMR 71.00). Please do not hesitate to contact Elizabeth Sherva of my staff if you have any questions.

Sincerely,

Brona Simon

Brona Simon
State Historic Preservation Officer
Executive Director
Massachusetts Historical Commission

xc: Kristin Carlson, Harborlight Community Partners
Lou Martin, DHCD
Beverly Historic District Commission

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