

Quarterly Report for Choice Neighborhoods Implementation Grants

Grantee Name:	City of Boston Department of Neighborhood Development
Co-Grantee name:	Dorchester Bay Economic Development Corporation
Date of Report:	April 13, 2012 (activity from 1/1/12 to 3/31/12)

1. Confirm the implementation is on schedule (according to your preliminary Project Schedule) and progress is being made timely on all key second -quarter activities. If not, explain why and the plan to get back on or revise the schedule. Also, please indicate key activities you will be undertaking in the upcoming (third) quarter.

Activity (per Schedule) January 1, 2012 - June 30, 2012	Due Date per Program Schedule	Status/Progress	Comments and/or Explanation of how you will get back on track or revise Schedule, if applicable
<p>The grant agreement was executed by DND and Dorchester Bay EDC on November 16th, but was not executed by HUD until 1/12/2012, much later than expected. A revised timeline was submitted on January 13th with the first Quarterly Report and a revised budget was submitted on March 12, 2012. Both are currently under review at HUD. The following is based on the attached interim timeline which was submitted on January 13th.</p>			
1. Finalize Quincy heights commitments	Q4 2011	The City's partner, DBEDC, has chosen MassHousing as the construction and permanent lender for Quincy Heights. Given the lender's commitment and FHA review schedule, the project is now anticipated to close by late August or early September (Q3 2012). An RFP to investors brought a better than expected LIHTC yield, and now	Schedule has been revised

		that the final finance pieces are known, DBEDC will revisit the FLEX-SUB request with HUD. The City is in the process of deeding over the Quincy Street parcels, including 222 Quincy Street, to DBEDC. The transaction is expected to be complete in early April.	
2. Quincy Heights Construction Start	Q1 2012	Additional environmental testing and removal of asbestos will take place in late April or early May. It is hoped that demolition of 222 will follow in May, once the contract is bid out. A discovery of asbestos in the joint compound will require a re-working of the construction budget. Construction drawings and bid documents have been submitted to DND and MassHousing. Comments have been provided to the architect, and plans should be finalized by May. The General Contract will be bid in May or June, consistent with the projected construction finance closing and with a September 2012 construction start date.	Schedule has been revised

3. Uphams West construction start	Q4 2011	This project's financing closed late in Q1 2012. Construction commenced immediately after and will be completed by the end of December 2012.	Schedule has been revised
4. Quincy Commons construction start	Q4 2011	Project financing issues have delayed closing on the Section 202 funding, but the project will be ready for HOME fund commitment in May 2012, and the construction will start late May or early June 2012.	Schedule will be revised
5. Supportive Services Begin	Q3 2011	Dorchester Bay and Quincy-Geneva HDC continue to provide resident service coordination. Relocation and enhanced services have not begun due to lack of executed grant agreement.	Relocation is not expected to begin until spring. Services to be provided by partner agencies will begin as soon as contracts are in place. Additional services to be provided by other vendors will begin following completion of procurement process.
6. Critical Community Improvements Begin	Q3 2011	Projects have not yet been selected. Potential projects have been solicited and are currently being vetted for community support, impact and financial viability.	Expect to have project selections completed and reviewed by HUD in time to begin construction in the spring.

2. Provide a narrative to be shared with other Choice Grantees describing your progress to date, successes and lessons learned in implementing your Transformation Plan, including:
 - a. Additional resources secured to support implementation

On December 16th DND and Dorchester Bay EDC submitted a proposal for a \$400,000 Public Safety Enhancement (PSE) Grant from HUD and the Dept. of Justice (DOJ). On April 6th we received HUD's Request for additional information and revisions to the proposal. A conference call with HUD and DOJ to review the letter was held on April 12. The revised PSE proposal is due May 30th.

We applied to HUD for a \$3 million Community Challenge Planning Grant for the Fairmount Transit Corridor which includes the Choice Neighborhoods target area. We were awarded \$1.86 million and are currently negotiating a revised budget and workplan with HUD.

The Federal FY12 HUD/CPD formula grant allocations have been issued. We will be receiving an 8.9% reduction of to our Community Development Block Grant Allocation (CDBG) and a 46% reduction to our HOME Investment Partnership Program (HOME) allocation. Together, these cuts will result in a funding reduction of over \$5 million for the next fiscal year and may force the City to scale back some of the proposed Choice Neighborhoods activities or extend the timeline for accomplishing these activities. Despite these cuts, DND plans to make every effort to keep the CDBG and Section 108 Loan Guarantee match commitments we made in the Round 2 application. We have pledged to commit a total of \$525,000 in CDBG funds and \$750,000 in Section 108 funds over five year grant period. To date we have made the following commitments:

Greater Grove Hall Main Streets: \$30,000 in CDBG funds for the current year and \$30,000 for next year

Partners with Non-Profits program (projects tbd): \$25,000 in CDBG funds for this year and \$25,000 for next year

RESTORE Program (projects tbd): \$20,000 in CDBG funds for this year and \$20,000 for next year

Commercial Real Estate Development program (projects tbd): \$150,000 in CDBG and \$750,000 in Section 108 funds to be available until expended.

b. Detail on leverage secured and spent to date

Source of Leverage	Intended Use	Dollar Amount Secured	Dollar Amount Spent to Date
Financing Sources Committed for Redevelopment of Quincy Heights Housing Development Project (partial list)			
Mass Housing	First mortgage	\$16,015,000	\$0
City of Boston HOME or NHT	Subordinate debt	\$1,500,000	\$0
LIHTC 4% Tax Credit Equity	equity	\$17,242,482 (estimated)	\$0
Mass Dept of Housing & Community Development	Subordinate debt	\$1,500,000	\$0
Federal Home Loan Bank of Boston	Subordinate debt	\$400,000	\$0

- c. Breakdown of progress against the three core CN goals—People, Housing, and Neighborhoods—in addition to a general process update. Please provide, at a minimum, information about the following:

<p>Housing:</p> <ul style="list-style-type: none"> Planned relocation start; Planned demolition start (if applicable); Anticipated closing or construction start for first phase of development 	<p>Quincy Heights Project</p> <ul style="list-style-type: none"> Relocation has not yet begun. It is anticipated to begin 30 days before construction start (May of 2012) Demolition of non-residential structures on replacement housing sites are expected to begin once removal of grant conditions is complete. Utilities have been cut and capped in anticipation of demolition later this winter. Closing and construction start are anticipated for the end of Q3 of 2012
<p>People:</p> <ul style="list-style-type: none"> Service coordination and case management start 	<ul style="list-style-type: none"> Dorchester Bay and Quincy Geneva are continuing to providing ongoing service coordination to development residents. Relocation and related case management have not yet begun. Relocation is anticipated to begin in May.
<p>Neighborhood:</p> <ul style="list-style-type: none"> Land acquisition for critical community improvements (if applicable) 	<ul style="list-style-type: none"> No land acquisition for critical community improvements is planned or anticipated. City committed \$25,000 through the Grassroots program to develop a construction plan for the Leland Street Community Garden. On 3/14/2012 the City committed \$79,491 through the Grassroots program for improvements at the Julian, Judson, Dean Community Garden at 48 Julian Street. Construction is underway and is expected to be completed in Q2 2012. The City committed \$70,000 through the RESTORE program for façade improvements at the historic Prince Hall Lodge at 24 Washington Street.

General/Process:

- Resident and community engagement;
- Collection and use of data

- Dorchester Bay and Quincy-Geneva have held many meetings with the residents of the development and the immediate neighborhood over the past two years, including meetings focused on the Choice Neighborhoods application. With the approval of the grant, more intensive meetings will be held with the residents during the next three months to explain the project, the relocation process, and the services and other resources that will be made available to them.
- Project RIGHT held various resident's association meetings at which progress on Choice Neighborhoods was discussed (March 7th, April 4) and held Peace Walks on March 28 and April 11.
- A community wide meeting of the Blue Hill Avenue Neighborhood Response Team is planned for Wednesday, April 25, 2012 at 6 PM at the Rev. Michael Haynes Early Education Center (263 Blue Hill Avenue, corner of Quincy Street and Blue Hill Avenue).
- Collection of baseline data on conditions in the neighborhood (crime, foreclosures, housing costs, property values, physical improvements, etc.) has begun. Collection of client level data on the residents has not begun. We are currently exploring client data management systems and will seek technical assistance from HUD on this.
- We have prepared the Tier 1 Environmental Assessment for the non-housing portions of the grant.
- We have worked with the Developer and Boston Landmark's Commission to get the Article 85 Demolition approval for 193-195A Magnolia, 219 Quincy Street, and 229-237 Quincy.
- The Environmental Review for the HOME and Choice Neighborhoods funds have been completed and the Requests for Release of Funds submitted. Environmental Review for the MassHousing Risk Share Loan is under way.

- d. Any challenges being faced, including any with which HUD or other Grantees may be able to provide assistance

The City executed and returned the grant agreement on 11/21/2011, but the grant agreement was only executed by HUD on 1/12/2012 and lack of clarity over Environmental Review responsibilities and Request for Release of funds procedures has delayed contracting for and beginning services and certain pre-development activities.

Lack of clarity regarding the status of the requested Section 8 housing voucher assistance has delayed initiation of discussions with residents about their temporary and permanent relocation options and opportunities and establishment of the relocation budget for the project.

Cuts to CDBG and HOME funding will have a significant impact on the anticipated leveraging resources and may force a scaling back or delaying of planned activities in the Choice Neighborhoods target area as well as to staffing to support the initiative.

- e. Any recent press coverage, web content, research, planning information or other materials that you have found helpful and would like to share with others.

None at this time