

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:	July 13, 2012 (activity from 4/1/2012 to 6/30/2012)

1. **Confirm the implementation is on schedule (according to your preliminary Project Schedule) and progress is being made timely on all key third-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 (fourth) quarter.**

Activity (per Schedule) January 1, 2012 - June 30, 2012	Due Date per Revised Program Schedule	Status/Progress	Comments and/or Explanation of how you will get back on track or revise Schedule, if applicable
1. Finalize Quincy Heights commitments	Q3 2012	The City's partner, DBEDC, is continuing to work with MassHousing as the construction and permanent lender for Quincy Heights, and anticipates going to Mass Housing's board for commitment in mid-August. The project is anticipated to close by late September or October 2012 (Q3-Q4 2012). DBEDC is still awaiting a formal response from HUD regarding their FLEX-SUB request. The City conveyed the city-owned Quincy Street parcels, including 222 Quincy Street, to DBEDC in early April.	Schedule has been revised

2. Quincy Heights Construction Start	Q3 2012	Remediation and Demolition of 222 Quincy Street is scheduled for July. Two General Contract bids were issued this quarter, one for the new construction component and one for the rehab component. A total of seven contractors bid on one or both of the rehab and new construction bid packages, and several were within budget. DBEDC is reviewing the bids and will select a contractor early next quarter. BEDC plans to apply for building permits in July as the approval process can take two to three months.	Schedule has been revised
3. Uphams West construction start	Q1 2012	This project has started construction and is still on schedule to be completed by the end of December 2012. All but one tenant has been temporarily relocated from 555 Dudley (2 West Cottage St is vacant). The last tenant will move in July. The temporary relocation is not expected to be for more than two to three months.	Schedule has been revised
4. Quincy Commons construction start	Q3 2012	The project is still awaiting final HUD approvals, and Subsidy Layering approval. Both processes commenced early this quarter. Provided these approvals are received, the project is expected to close in late August or early September. The initial closing meetings have been scheduled.	Schedule will be revised

<p>5. Supportive Services Begin</p>	<p>Q3 2011</p>	<p>Dorchester Bay and Quincy-Geneva HDC continue to provide resident service coordination. Relocation and enhanced services have not begun.</p>	<p>Relocation is not expected to begin until later this fall. A Request for Proposals for case management services for the residents has been issued and proposals are due July 31st. Other services to be provided by partner agencies will begin as soon as contracts are in place. Additional services to be provided by other (non-partner) vendors will begin following completion of procurement process.</p>
<p>6. Critical Community Improvements Begin</p>	<p>Q3 2011</p>	<p>Projects have not yet been selected. Potential projects have been solicited and are currently being vetted for community support, impact and financial viability.</p>	<p>Expect to have the package of proposed projects ready to be submitted to HUD for approval in July.</p>

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 revised PSE proposal was submitted on May 30 and is currently under review by HUD and the Dept. of Justice.

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.

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 Fiscal Year 2012 and \$30,000 for FY2013.

Partners with Non-Profits Program (projects tbd): \$25,000 in CDBG funds for FY12 and \$25,000 for FY13.

RESTORE Program: \$70,000 in CDBG funds in FY12 (for Prince Hall Grand Lodge) and \$20,000 for FY13 (projects tbd).

Commercial Real Estate Development program (projects tbd): \$150,000 in CDBG and \$750,000 in Section 108 funds to be available until expended. The City expects to submit a proposed project to HUD in July.

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
Financing Sources Committed for Development of Upham's West Housing Development Project			
(Permanent Sources)			
Permanent Loan - MHP	First Mortgage	\$1,250,000	
Developer sponsor loan	Subordinated debt	\$156,000	\$92,763.98
LISC	Subordinated debt	\$399,999	
DND - LTW	Subordinated debt	\$650,000	
NHT	Subordinated debt	\$750,000	\$90,919.91
DHCD - HSF	Subordinated debt	\$387,500	\$284,892.51
DHCD - HOME	Subordinated debt	\$387,500	\$339,453.82
AHT	Subordinated debt	\$650,000	\$650,000.00
BRA	Subordinated debt	\$300,000	\$299,782.50
Deferred Fees	Owner Equity	\$111,443	
Boston Homeowner Services	Subordinated debt	\$165,030	\$165,030.00
Mass Development	Grant	\$118,063	

Financing Sources Committed for Redevelopment of Quincy Commons Housing Development Project (partial list)			
Permanent Sources:			
Sect 108 loan	Senior Mortgage		\$920,000
HUD 202	Public Equity		\$5,305,300
OCS Grant	Grant		\$645,000
Boston - HOME	Subordinated Debt		\$1,500,000
Boston – NHT	Subordinated Debt		\$750,000
BRA	Subordinated Debt		\$453,958
DHCD – HOME	Subordinated Debt		\$750,000
State – AHT	Subordinated Debt		\$1,000,000
State – HSF	Subordinated Debt		\$1,000,000
State – CBH	Subordinated Debt		\$750,000
State – HIF	Subordinated Debt		\$750,000
Mass Development	Remediation grant		\$278,000
Enterprise Greenbuilding	Design Grant		\$50,000
Energy Audit Funding	Grant		\$29,000
Energy Tax Credits	Equity		\$70,000
Pledged Developer Fee	Equity		\$65,858

- 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:**

Housing:	Quincy Heights Project
Anticipated closing or construction start for first phase of development	Closing and construction start are anticipated for the end of Q3 of 2012
Planned relocation start	Relocation has not yet begun. It is anticipated to begin 30 days before construction start (May of 2012)
Planned Demolition Start (if applicable)	Demolition of non-residential structures on replacement housing sites is expected to begin in July of 2012. Utilities were cut and capped before the winter. Demolition of existing residential housing is expected to begin following construction closing in Quarter 4, 2012
Housing:	Additional Non-Replacement Housing (see pages 7-8 of Round 2 application)
Upham's West (555 Dudley & 2 West Cottage St)	9 unit rental housing project undertaken by Dorchester Bay EDC – in construction
Quincy Commons (278 Quincy St)	40 unit Section 202 Elderly Housing project undertaken by Nuestra Comunidad – construction start expected Q3 of 2012
100 Devon St	3 unit REO acquired by City, sold to Heading Home, project complete, 3 low-income rental units
16 Folsom	1 unit REO acquired by City, sold to Dorchester Bay EDC, project in construction.
34 Wayland	1 unit REO acquired by City, sold to homebuyer, to be rehabilitated.
5 Dewey	1 unit REO acquired by City, sold to homebuyer, rehab complete.
137 Intervale	3 unit REO acquired by City, conveyed to Nuestra Comunidad, project in pre-development.
69 Fayston St	2 unit REO acquired by City, conveyed to Nuestra Comunidad, project in pre-development.
179 Howard St	3 Unit REO acquired by Nuestra Comunidad, rehab complete.
20 West Cottage St	2 unit REO acquired by homeowner, rehab complete
21 Dacia St	3 Unit REO acquired by Nuestra Comunidad, rehab complete.
71 Brunswick	1 unit REO acquired by homeowner, rehab complete.
102 Brook Ave	1 unit covenanted resale, in Legal.
138 Devon	1 unit homeowner rehab, project complete.

People:	
Service coordination and case management start	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 later in the Fall. An RFP for Case Management Services has been issued , proposals are due July 31.
Neighborhood:	
Land acquisition for critical community improvements (if applicable)	No land acquisition for critical community improvements is planned or anticipated
Community Gardens (Grassroots program)	<p>On 3/7/2012 the City committed \$79,491 in CDBG funds through the Grassroots program for improvements at the Julian, Judson, Dean Community Garden at 48 Julian Street. Construction was completed in Q2 2012.</p> <p>On 6/14/2012 the City committed \$150,000 in CDBG funds through the Grassroots program for technical assistance to develop a new garden design and renovation plan for the Leyland Street Community Garden. The City previously committed \$25,000 through the Grassroots program to develop a construction plan for the Leland Street Community Garden. Construction is expected to begin in October of 2012 and be completed in April of 2013.</p>
Storefront Façade Improvements (RESTORE program)	The City committed \$70,000 on 11/10/11 in CDBG funds through the RESTORE program for façade improvements and signage at the historic Prince Hall Grand Lodge at 24 Washington Street
General/Process:	
Resident and community engagement	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. On June 28 th 85 households attended one of the two meetings that were held that day to discuss relocation options and the availability of Section 8 Housing Choice Vouchers for residents who choosing to leave the development rather than return after construction. An additional 24 households were contacted after the meeting and 14 households remain to be contacted. waiting to make contact. There are 123 occupied units total.

	<p>During this quarter, Project RIGHT held seven neighborhood association meetings at which progress on Choice Neighborhoods was discussed (April 4, April 5, May 1, May 2, May 3, June 6, June 7). Project RIGHT also convened two meetings of the Grove Hall Safe Neighborhood Initiative on April 12 and June 14 and a community wide meeting of the Blue Hill Avenue Neighborhood Response Team April 25.</p>
Collection and use of data	<p>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 yet begun. We are in the process of implementing the Social Solutions ETO software system provided by Policy Link's Promise Neighborhoods Initiative for client data management and we are working with HUD and Thomas and Herbert on the implementation of a reporting system for housing, people and neighborhood metrics.</p>
Environmental Review	<p>We have prepared the Tier 1 Environmental Assessment for the non-housing portions of the grant</p> <p>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</p> <p>The Environmental Review for the HOME and Choice Neighborhoods funds have been completed and the Requests for Release of Funds approved. Environmental Review for the MassHousing Risk Share Loan is under way</p>

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