A Study to Determine the Feasibility of a Low Income Cooperative for the Tenants Development Corporation in the South End of Boston

by

Abraham Ford Jr.
B.A. Goddard College
1972

Submitted in Partial Fulfillment of the Requirements for the Degree of

Master of Architecture
and
Master of City Planning

at the
Massahcusetts Institute Of Technology
May, 1979

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ABSTRACT

The South End of Boston has over the past decade undergone a major change in population. Young middle class professionals have purchased, moved in and renovated many of the three, four and five story row houses indigenous to the area. As a result many low income renters were evicted from their apartments and forced to move away. Since then the city has taken a stronger position in favor of the influx of the homeowner into the South End.

The Tenants Development Corporation (TDC) was organized in the attempt of protecting low income renters from eviction from their apartments and expulsion from the area.

This study demonstrates to TDC, various options for the organization of Housing Cooperatives for low income people. It should be used in the initial step as a manual for their Cooperative development procedure.

Thesis Supervisor: ______________________
Tunney F. Lee

Title: Associate Professor of Urban Studies & Planning

ACKNOWLEDGEMENTS

I would like to dedicate this thesis to the three people in this world I love most, my mother, Marion, my father, Abraham and my aunt, Pama. Without their love, guidence, teaching, confidence and patience none of my accomplishments would have been possible. I would like to thank the many friends that made the rough times here seem easier. Special thanks go to those who assisted me in my thesis work. Diana and the TDC staff, Mrs. Langley, Teresa, Jackie, Louise, and Joyce; Alake, Cynthia and Sharon; Pop, Karen,Daryl and DL; Ralph, Percy, Melanie, Larry and Tom; my mentors David Lee and Tunney Lee and to the most patient typist in the world, Lynda.

Table of Contents

Introduction..0.1

I BACKGROUND

1. History and Philosophy..................................1.1
2. Housing Stock...2.1
3. Selection Process.......................................3.1
4. Tax Title...4.1

II COOPERATIVE DEVELOPMENT

5. Housing Cooperatives....................................5.1
6. Sections 213,221(d)(3)..................................6.1
7. Section 202...7.1
8. MHFA..8.1
9. Summary...9.1
10. Conclusions and Recommendations.......................10.1

APPENDIX

FOOTNOTES

BIBLIOGRAPHY

"...whether we like it or not, poor people are a luxury the South End cannot afford."

South End Resident at BRA's
Urban Renewal Closeout

The South End is a densely populated, racially and economically mixed section of Boston. It is bounded on the North by the central business district; on the South by Roxbury, a predominately black working class neighborhood; on the East by the Southeast Expressway and on the West by Back Bay, a middle and upper middle class historic neighborhood.

From the late forties to the early sixties, because of declining conditions in the South End, many middle income families began taking advantage of Federal Homeownership mortgage insurance programs and began moving to the suburbs leaving their South End townhouses as boarding houses and apartments for poor people. The Federal Government permitted them to deduct interest and property tax payments of their new homes from their Federal Income Taxes. Even today this form of subsidy constitutes a greater dollar amount for the middle income than the amount the Government allocates for the lower income families. According to an analysis by Alvin Shorr, formerly of the U.S. Department of Health Education and Welfare, this has historically been true.[1] The U.S. Government in 1962 expended an estimated $820 million to subsidize housing for poor people. In the same year an estimated $2.9 billion was spent to subsidized housing for middle and upper income. This sum includes only savings from income tax deductions. Another startling fact about this finding is that the $820 million for lower income people subsidized roughly the lower most 20 percent of the population while the uppermost 20 percent received $1.7 billion in subsidy, over twice as much. Coupling this with the amount of cash flow realized on each South End building, (high rents as income and low expense in repairs), and the fact that the buildings served as a business expense tax deduction, it is not hard to understand why these money hungry landlords hung on to their properties for so long.

During the late sixties and seventies, with the high cost of living, food prices and transportation costs (gasoline in particular), the children of these suburbanities are realizing that it makes more economical sense to live closer to the cultural, educational and business institutions in the city. Consequently, many of these fairly young, doctors, lawyers and architects, etc. are moving back into the South End, buying up available properties, renovating existing buildings, raising rents and driving the existing low income tenants to the immediate suburbs of Roxbury, Dorchester and Mattapan. This process is known as gentrification, the return of the gentry and is exemplified in its most snobbish form in the quote by the affluent South End resident at the BRA's Urban Renewal Closeout public hearing.

Community organizations formed and manned by tenants have arisen over the past twenty years to fight this pompus attitude toward low income people. In many cases in the South End, these organizations have gained control of properties and are now providing housing and services for the lower income people of the area, which is the primary means of their continued stay in the community. Organizations such as IBA, a hispanic owned and controlled housing development, management, and social service organization; Low-Cost Housing, a private non-profit grass roots organization; and Tenants Development Corporation (TDC), a private non-profit housing development and management corporation.

Many of these organizations have survived the economic crunch by relying on Federal assistance. Programs such as Section 236, Section 312 and Section 221(d)(3) and(4) have provided these organizations with either direct loans, grants or mortgage insurance guarantees for housing development. At present, through one process or another, these programs for rental housing development have vanished. Sections 236 and 312 have been completely suspended. Section 221(d)(3) no longer exist for rental programs. It is clear now that community organizations interested in housing development, have to look for other forms of assistance, either Federal or conventional. Cooperative housing is one option that can be considered for multi family housing development.

This study is prepared as a preliminary working paper for the Tenants Development Corporation's attempt to organize their third housing package. Besides laying out the philosophy of TDC and nature of the housing stock, it will analyze the architectural and the cooperative development feasibility of a selected group of buildings in the South End of Boston. It will present a detailed financial feasibility study of three government cooperative housing programs as they are related to the selected building for TDC's development package. It will describe these specific buildings and Federal programs and offer two housing options for discussion. One, congregate housing, a prototypical housing type and the other, leased housing, a housing management scheme. It will go on to offer recommendations and suggestions for directing TDC in its venture.

Questions pertinent to TDC addressed in this paper include:

What is the nature of the available housing stock?

What is a Housing Cooperative and how does one function?

What are some available financial assistance programs for cooperatives?

Does it make sense for TDC to assemble a housing cooperative?

Part I provides the general background for the study. Chapter one outlines the history and philosophy of TDC. The reasons behind the tenants banding together to rid themselves of irresponsible landlords and the methods they used. This chapter can surely serve as an inspiration to any grass roots organization starting out with little more than a group of dedicated individuals. Chapter two is a general description of the South End housing stock, in this case the 3-4 and 5 story row house. Chapter three offers a scenario on the selection process and begins to describe TDC's requirements for architectural feasibility. Chapter four briefly describes another process by which TDC may acquire buildings from the city, possibly for a future development package.

Part II outlines relevant information on cooperative development. This is the most important section of the study as it describes the housing coopertive and how it may be funded. Chapter five gives a general description of the cooperative, its set up and the six principles every cooperative must follow. It goes into the overall advantages and also talks about a few of the disadvantages. Chapter six is a description of both the 213 and 221(d)(3) sections of the National Housing Act. Chapter seven describes the section 202 program for the elderly. These are the only three active mortgage insurance grant and direct loan programs offered by HUD exclusively for use by cooperatives. A financial analysis broken down by units for determing rent level for each program is found in the Appendix. Eight outlines MHFA's loan program and shows TDC's possible relationship to it. Chapter nine is a summary of part II. Chapter ten lists some conclusions and recommendations available to TDC drawn from information and raised from points brought out in the body of this thesis.

Again this study is preliminary and should be used by TDC early in the planning phase of the development.

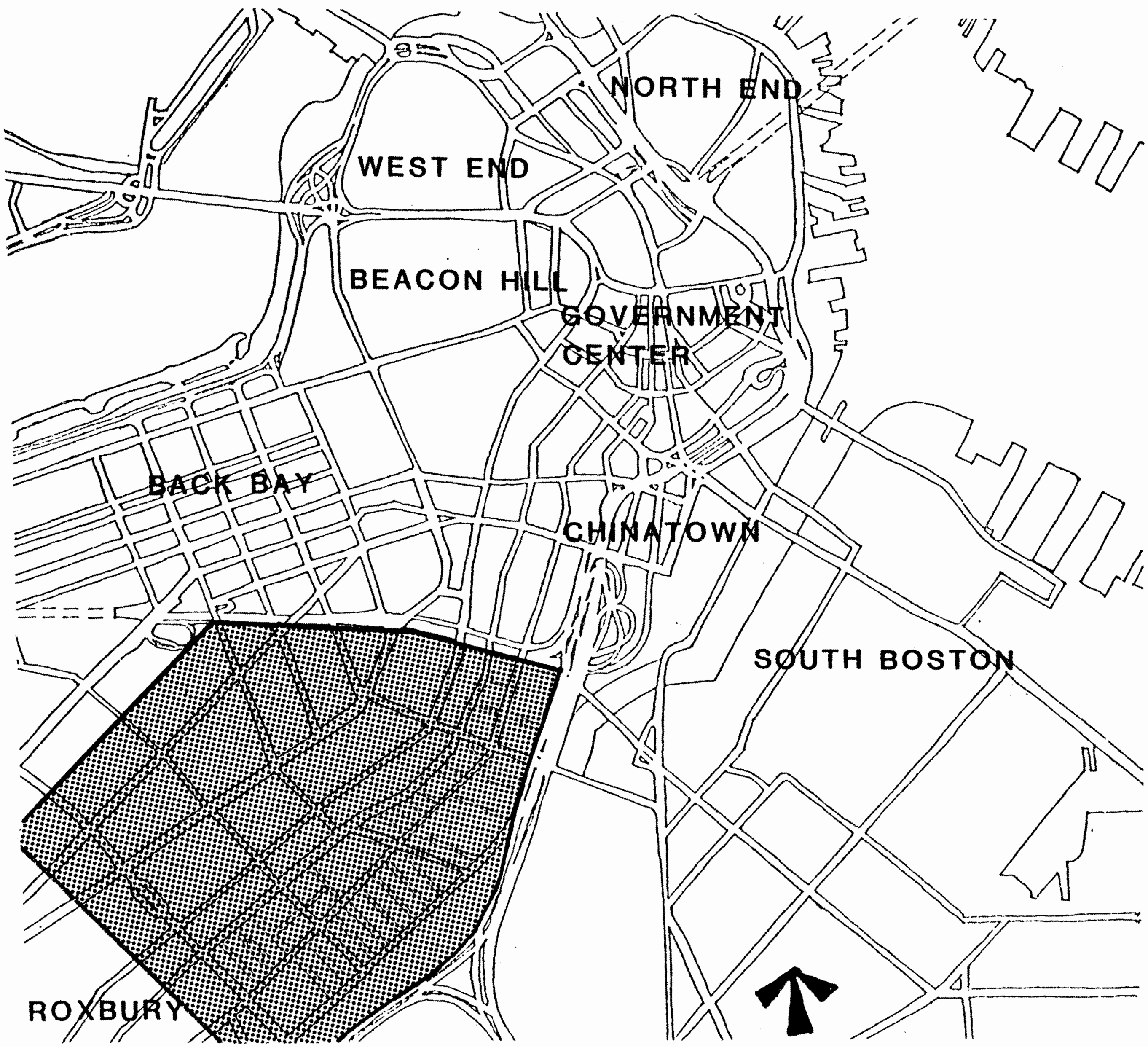


FIG. 1 site context

1 HISTORY AND PHILOSOPHY

2 HOUSING STOCK

3 SELECTION PROCESS

4 TAX TITLE

Background I

The organizational development of the Tenants Development Corporation originated from the concern of many community residents and the housing conditions that were being forced upon them by landlords of the South End. Traditionally if a tenant had a grip against his landlord and wanted to take him to court individually, his chances of winning were almost non-existent. Many of the tenants felt that the Boston courts were pro-landlord, very expensive and lengthy.

A young community organizer out of Brown University recognized the existing problem. Ted Parrish, a native of North Carolina, raised in Springfield, Massachusetts, noticed that urban renewal (poor folks removal) was the same everywhere. Poor people lived in deteriorated conditions for long periods of time and when action finally came and their homes were rehabilitated or new ones were built, rents were raised to the level where none of these low income individuals could afford to live there.

While Ted was working as an organizer for the United South End Settlements (USES) in February, 1968, he began organizing tenants to take on the housing problems of the area as a collective. It became evident that individual efforts were often futile, and it was much more difficult for the landlords and the courts to intimidate an individual.

It is important to note in the evolution of TDC the fact that the tenants were able to recognize the need for an organization and the clout it wielded could plant the seed of self-determination in these people. Apart from all the rhetoric and slogans so many organizations carried, these people were fighting with their backs against the walls. They would soon find that, by forming an organization spurred on by a common ideology, and decent housing, they would have a voice that could be heard.

Their first order of business as an organization was to call a community meeting to which special assistants to Mayor White and the heads of various city departments were invited and attended.[2] At this March, 1968 meeting, the tenants presented the officials with their complaints about slumlord problems. The major complaints were conditions of structures in the community, and the failure of city courts to take affirmative action against those landlords whose buildings were in a condition which clearly violated the housing codes. The response given by the representatives and city officials was typical political doubletalk. They said that at that time

(March 1968), nothing could be done because there was no housing court. However, they suggested that the tenants wait for the winter term of the State Legislature to determine if the housing bill creating a housing court would be passed.

There had been a bill introduced in the State Legislature for a housing court in the winter session of 1968, which was defeated by a strong statewide real estate interest.[3]

Their suggestion of waiting was precisely what the tenants were tired of doing. They had been waiting for a long time already. Besides, there was no guarantee that the bill would be passed in view of the power of the real estate lobby and even if the bill was passed and a housing court was formed, realizing the pro-landlord attitudes of the small claims and the civil courts, who is to say the attitudes of the housing court would be any different. Would the tenants go into court and find justice or "just us"?

It was clear to the tenants that they would have to tighten up their forces and attempt to implement changes themselves. This is another key point in the evolution of TDC. The tenants realizing that simple organization does not bring about change. Struggle is an important factor that comes into play. As a new and inexperienced organization, they were going to encounter many road blocks and detours such as this housing bill episode. A strong organization usually seeks an alternate route and doesn't lose any momentum in seeking its goal.

The next step was to plan a systematic attack on the landlords themselves, and somehow force them to repair their units or to take some other action. A suitable prey had to be found. It was not very difficult to locate him. Joseph Mindick was found to be the largest slumlord in the South End. He owned 50 or more buildings and had the largest number of code violations and complaints lodged against him.[4] He seemed to make a suitable target for a systematic move of the tenants. Research was done on Mindick and it was found that he was an Orthodox Jew with a brother that served as a cantor in the Jewish Synagogue. His brother lived in a very fashionable neighborhood in Mattapan and the tenants decided to demonstrate in front of his house and embarrass the family to the point where they would be forced by their peers to begin some kind of renovation procedures. Therefore, on a Sunday afternoon in early April, 1968, 51 demonstrators including tenants, interested community people, a Catholic Priest and some of his followers and a Jewish Rabbi (to repel any charges of anti-semitism), organized in front of the Mindick house. The next step per suggestion of the Rabbi was to seek a hearing before the Rabbinic Court, of Justice Of The Associated Synagogues Of Massachusetts.[5] The Rabbinic Court agreed to intervene, act as a mediator in reviewing grievances and eventually issue a decision both parties agreed to be bound by. The Court was sympathetic to the cause of the tenants and it was proposed that they both form an arbitration board and draft an agreement to be signed by Mindick to expedite the repair of his properties. The Court also stated that if any evictions or harrasement were perpetrated against any of the tenants during the negotiations, the Court would bring pressure to bear upon him.

Here we have further evidence of strong community efforts organizing to bring about change. No actions could be seen through the proper channels of the political structure, so the tenants had to seek out and convince unlikely sources for help. These small victories helped strengthen the organization by heightening confidence of the tenants. As a result, a non-profit organization, the South End Tenants Council was incorporated under the laws of the Commonwealth of Massachusetts in July of 1968.

There was one problem that the tenants found in dealing with a slumlord who owned as many buildings as Mindick owned. Since they had the protection of the Rabbinic Court guarding against any repercussions from Mindick, they knew they had one play that would make Mindick move. A rent strike would have moved Mindick quickly, but not all of the tenants in his buildings were organized and he knew this. Mindick's strategy was to wait and eventually the force driving the tenant organization would wane.

Ted Parris, the community organizer was afraid of this happening, so it was decided to go after another landlord with smaller holdings in the South End. Saul Laner was the one chosen. He owned 11 buildings scattered throughout the South End. Each of these buildings had numerous code violations, many tenant complaints and even some fatal accidents to accompany them.[6] A demonstration was organized outside of Larner's Charles River Park apartment house which proved very successful. A threat by Larner's landlord to tear up his lease, spurred on by Ted Parrish and a number of demonstrators scared Larner to the point where he agreed to sign an agreement to bring his buildings up to code.

The progress Larner made in repairing his buildings over the next few months was not satisfactory to the members of the newly named tenants organization, The South End Tenants Council (SETC). By the middle of October, the Council had begun a rent strike which included most of the tenants in all of Larner's buildings. With no money to pay his already overextended credit, Larner soon lost all 11 buildings to foreclosure, two of which were picked up by SETC with the assistance of a $19,000 loan from the United Front, a community funding organization.[7] During all of these occurrances, area residents were increasingly recognizing the influence of SETC and started reporting more and more complaints. A number of these complaints were lodged against Joseph Mindick. Evidently Mindick had no intention of correcting these violations. He merely sent painters for cosmetic purposes, but the major violations (faulty plumbing, wiring and heating systems) remained untouched.

The victory that SETC celebrated over Larner gave the tenants the confidence that they needed to now tackle the giant-Mindick. The first step in the strategy was to approach the Rabbinic Court and ask for 14 or 15 of Mindick's buildings. Here the Rabbinic Court proved to be ineffective so the next step for the tenants was to organize a massive rent strike. Special precautions had to be made, such as confrontation with the police, sheriffs and constables, and the determination of who would face them. Legal counsel was brought in and many nights of consultation preceeded the strike. The strike started on February 13, 1969, two days before welfare checks were to be received by tenants. It was important that tenants had operational money just in case something went wrong. In general, people psychologically have a greater sense of power when they have some money in their pockets and can provide for their families efficiently.

The strike lasted until May 12, 1969, at which time Mindick agreed to sell 34 buildings to the Boston Redevelopment Authority (BRA).[8] During this three month strike, not one tenant was evicted which serves as a testimony to the power of the South End Tenants Council. Tenants realized that they had power in numbers and they had now built a full head of steam. One thing they could not do was to rest upon the laurels of the SETC. They had to strive forward into the next phase of development.

During this time, the 700 member South End Tenants Council with members in 50 buildings, consisted of a board of directors, an executive director and several full-time and part-time staff members. The 15 board members, all of whom were tenants and residents of the South End, were elected by the tenants. The executive director, Mr. Leon Williams, a member of the board, was appointed by the board in August, 1968. He was assisted by two full-time staff members and seven part-time staff members.[9]

With the BRA's acquisition of Mindick's 39 buildings, the problem of management of these buildings arose. The BRA stated that since they owned the buildings, they would manage them. The tenants had no expertise in managing apartments. The discussions went on back and forth until the tenants threatened a rent strike against the BRA.

With the acquiescense of the BRA we find the first spin-off of SETC emerging, the South End Tenants Management Firm. The firm had a five-member board of directors, three of whom were elected by SETC and two by the Afro-American maintenance & Construction Company. It had the complete responsibility and authority for the maintenance of the buildings, the collection of rents, and other such matters.[10] At first, the Tenant Management Firm seemed to be the correct solution for tenants that were seeking a management office sympathetic to its needs. Approximately 75% of rents were being collected where an average landlord is lucky to get 65%. Under the Tenants Management Firm operations the tenants no longer paid as much as 50% of their monthly income in the form of rents. Consistent with urban renewal policies, the Management Firm accepted no more than 25% of the monthly income from any tenant, no matter how large his rent was.[11]

The concept behind the Tenant Management Firm was sound and if it was carried out to the letter, would have been very beneficial to the tenants and to the entire South End as well. The problem was that the ownership of the buildings was still out of the tenants hands. The BRA still held the major role when it came to implementing the managerial decisions and responsibilities of the Management Firm. All work orders for any kinds of repairs had to come from the BRA. The BRA's complicated work procedure was very time consuming and frustrated both management and tenants. Repairs sometimes took up to two months to be made. A need for another type of system arose. The power was still in the hands of the people. Eventually a second spin-off of SETC emerged and replaced the Management Firm, the Tenants Development Corporation, and is now still in operation.[12]

The Tenants Development Corporation (TDC), similar to the South End Tenants Management Firm, has its own separate board, administrative officers and staff and is assisted by several technical advisors ie.,Harvard Law School, Harvard Business School, and Massachusetts Institution of Technology, architectural and planning students.

The original concept of TDC arose from the years of struggle against South End landlords, paying outrageously high rents for dilapidated apartments, with few services and no possible chance of owning any of them. When SETC took over two of Saul Larner's buildings, the Council began looking at the possibilities of buying tenements, rehabilitating them, and allowing the tenants to begin to build up equity with each month's rent paid. In effect, the original plan for TDC would make it possible for tenants to own their buildings through a tenant cooperative.

TDC was established as a tax-exempt public charitable corporation under the laws of the Commonwealth of Massachusetts on August 15, 1969 (see Appendix A), and has since continued the work that the SETC started. Two major projects are now under management by the staff of TDC. South End Tenants Houses One (SETH-I) and South

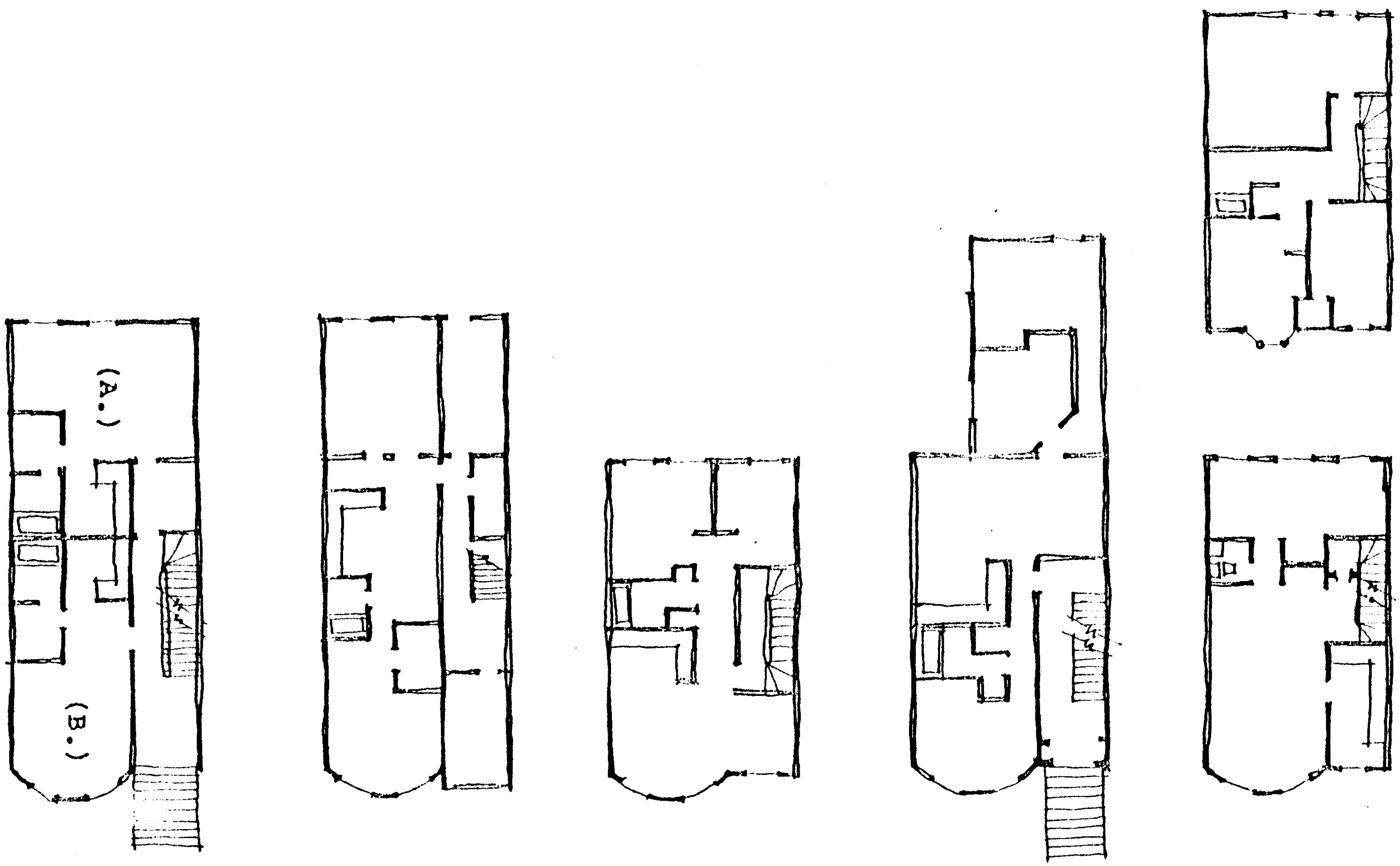
End Tenants Houses Two (SETH-II) are referred as TDC I and TDC II. These two projects total 56 buildings being purchased, rehabilitated and managed for low and moderate income households.

SETH I came into being through a "Memorandum of Understanding" from the BRA (see Appendix B). In this memorandum, the BRA stated that it would turn over to the redeveloper SETC (TDC) up to 100 properties for rehabilitation for low and moderate income families in the South End. The development package for SETH I was 20 properties of the original 34 sold to the BRA by Joseph Mindick. The mortgage insurance for this package was provided by the U.S. Department of Housing and Urban Development (HUD) Section 236 program of the National Housing Act. It provided 100 units of low income housing. Many of the 0-4 bedroom apartments (see Figure 2), presently house participants of the renovation process and in some cases occupants who lived in the buildings prior to renovation.

SETH I was a good experience for TDC because it served as the climax to all the trials and tribulations experienced by the group. SETH I actually gave them a taste of what they were clamoring for so long, actually developing their own housing package. What made matters even better was that SETH I was successful. The Memorandum of Understanding stated that they would own and develop up to 100 properties and they were not going to stop with the 20 that they had. The second package, SETH II, was a bit more ambitious. It consisted of 36 townhouses mostly scattered along Massachusetts Avenue. (see fig. 3)

TDC acquired the properties from the BRA and secured mortgage insurance from the Department of Housing and Urban Development through the Section 236 Program. In this package, TDC formed a limited dividend partnership with other groups, Continental Wingate and Income Equities Inc. The group was called TDC and Associates. This joint venture undertook a 3.8 million dollar project. SETH II is now in operation with 0-5 bedroom units similar to those of SETH I.

The success of TDC as a management firm and developer is evidenced by the fact that there are only a few vacancies within the 285 units. The waiting list is constantly growing. In response to the need for additional low income units, TDC is now in the planning stages of picking up on its option for the 44 remaining properties as outlined in the BRA's Memorandum of Understanding.



(B) Efficiency
454 square feet

3 Rooms - 1 BR
772 square feet

4 Rooms - 2 BR
800 square feet

5 Rooms - 3 BR
1102 square feet

6 Room Duplex
4 BR
1606 square feet

FIG.2 **typical units**

TDC PROPERTY LIST

Address of Property	Number of Units
401 Massachusetts Ave.	5
403 Massachusetts Ave.	5
405 Massachusetts Ave.	5
407 Massachusetts Ave.	5
419 Massachusetts Ave.	5
421 Massachusetts Ave.	5
423 Massachusetts Ave.	6
425 Massachusetts Ave.	6
427 Massachusetts Ave.	5
508 Massachusetts Ave.	5
522 Massachusetts Ave.	5
545 Massachusetts Ave.	8
547 Massachusetts Ave.	8
553 Massachusetts Ave.	6
556 Massachusetts Ave.	7
560 Massachusetts Ave.	7
569 Massachusetts Ave.	5
571 Massachusetts Ave.	5
572 Massachusetts Ave.	2
573 Massachusetts Ave.	5
574 Massachusetts Ave.	11
612 Massachusetts Ave.	5
623 Massachusetts Ave.	5
627 Massachusetts Ave.	5
654 Massachusetts Ave.	5
663 Massachusetts Ave.	3
671 Massachusetts Ave.	4
673 Massachusetts Ave.	4
675 Massachusetts Ave.	5
692 Massachusetts Ave.	5
696 Massachusetts Ave.	5
5 Braddock Park	3
498 Columbus Ave.	5
502 Columbus Ave.	5
506 Columbus Ave.	5
106 West Concord St.	3
108 West Concord St.	5
127 West Concord St.	2
130 West Concord St.	4
30 Greenwich Park	4
32 Greenwich Park	4
115 West Newton St.	4
213 West Newton St.	5
139 Pembroke St.	3
29 Rutland St.	2
55 Rutland St.	5
57 Rutland St.	5
24 East Springfield St.	4
96 West Springfield St.	5
189 West Srpingfield St.	4
23 Wellington St.	18
32 Worcester St.	3
57 Worcester St.	4
84 Worcester St.	4
89 Worcester St.	10
91 Worcester St.	1

Total Buildings: 56 Units: 284

tdc property

FIG.3

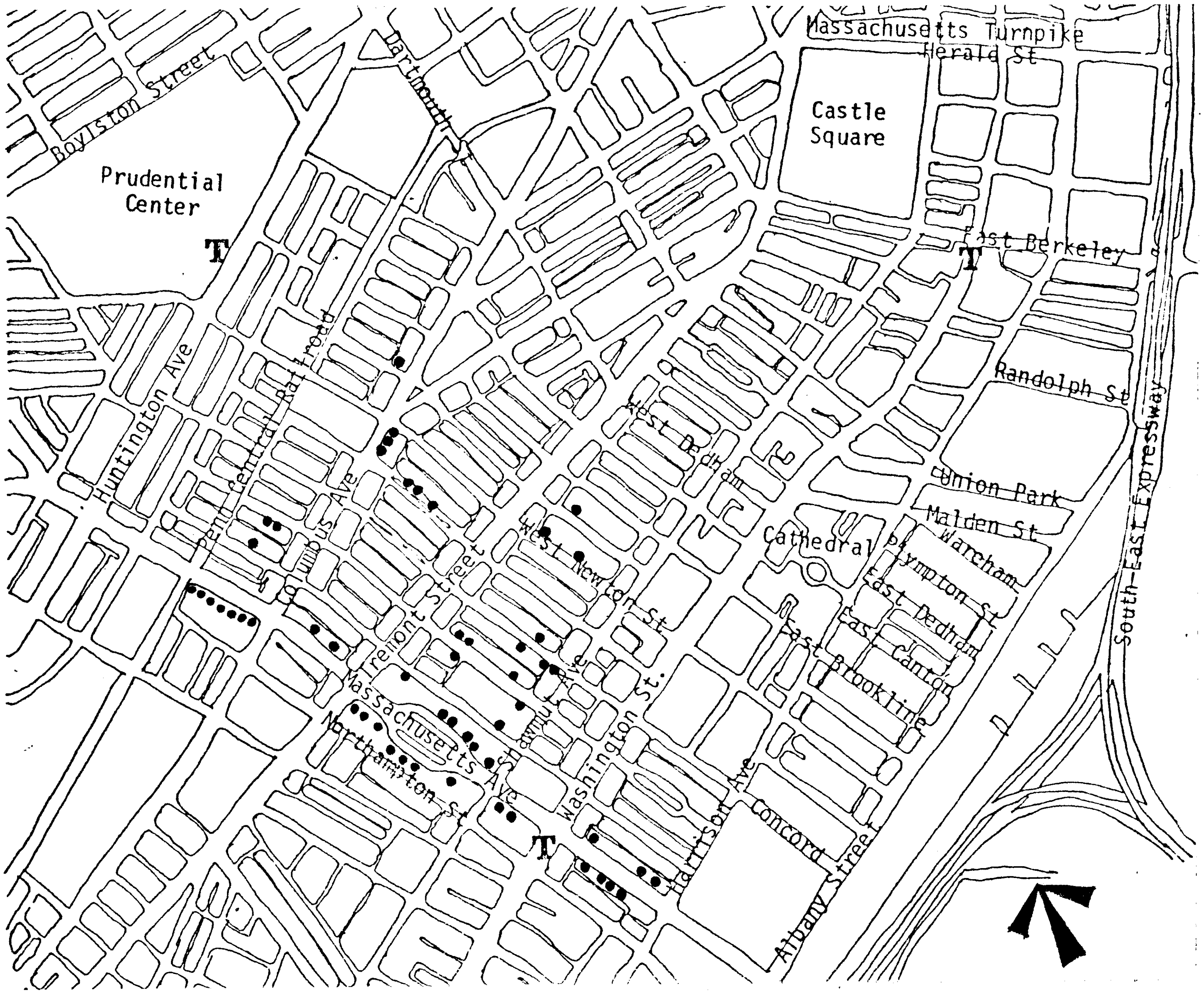

Massachusetts Turnpike
Herald St
Castle Square
Boylston Street
Prudential Center
Dartmouth St
East Berkeley
Randolph St
South East Expressway
Union Park
Malden St
Wareham
Plympton St
East Dedham
East Canton
East Brookline
Cathedral
West Dedham
West Newton St
Huntington Ave
Penn Central Railroad
Columbus Ave
Tremont Street
Massachusetts Ave
Northampton St
Shawmut Ave
Washington St.
Harrison Ave
Concord
Albany Street

FIG. 4

SOUTH END TENANTS HOUSES I
BUDGET FOR YEAR ENDING 12-31-78

page 1 of 2

	EXPENSES	INCOME	TOTAL	% OF INCOME
INCOME				
Rental Income		275688 00		
Vacancies - 5%	13784 00			
Bad Debt - 1%	2757 00			
Net Rental Income			259147 00	
Interest Income		700 00		
Total Income			259847 00	100%
EXPENSES				
Administrative				
Office Salaries	7727 00			3%
Office Expense	1333 00			1%
Payroll Taxes	1545 00			6%
Management Fee	15591 00			6%
Legal	3000 00			1%
Audit	2500 00			1%
Telephone	1333 00			5%
Misc.	1000 00			4%
Total Administrative			34029 00	13%
Operating				
Oil	23000 00			9%
Gas	31000 00			12%
Electricity	28000 00			11%
Water & Sewer	15000 00			6%
Janitorial Payroll	13813 00			5%
Janitorial Supplies	1667 00			1%
Exterminating	1400 00			1%
Total Operating			113800 00	44%
Maintenance				
Repairs Payroll	11467 00			4%
Repairs Material	5167 00			2%
Repairs Contract	4000 00			4%
Decorating Supplies	2000 00			8%
Decorating Contract	4000 00			2%
Motor Vehicle Repairs	1000 00			4%
Total Maintenance			38634 00	13%
Taxes and Insurance				
Property Taxes	44110 00			17%
Property Insurance	18306 00			7%
Total Taxes and Insurance			62416 00	24%
Financial Expenses				
Mortgage Interest	38310 00			15%
Mortgage Principal	8146 00			3%
Mortgage Insurance	8036 00			3%
Replacement Reserve	6634 00			3%
Total Financial			61126 00	24%
TOTAL EXPENSES			305105.00	117%
TOTAL PROFIT (LOSS)			(45253)	17%

FIG. 5 tdc I budget

HUD-92410 April 1974

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Form Approved OMB No. 63-R1079

STATEMENT OF PROFIT AND LOSS

HUD USE ONLY 92558	92547	NAME South End Tenants' Houses II	For The 12	Month Ending 12/31	19 78
		5000 - INCOME ACCOUNTS			
		5100 - RENT INCOME:			
1		5110-Houses		$	
1		5120-Apartments		518,399	
		5121-Rent Supplement Payments			
3		5130-Furniture & Equipment-Owned by Project for rent or lease			
3		5140-Stores and Commercial			
3		5150-Offices			
3		5160-Basement			
2		5170-Garage or Parking Spaces			
		5190-Miscellaneous			
		TOTAL RENT INCOME - POTENTIAL @ 100% OCCUPANCY			
		5200 - VACANCIES:			
1		5210-Houses	$		
1		5220-Apartments	18,129		
3		5230-Furniture & Equipment-Owned by Project for rent or lease			
3		5240-Stores and Commercial			
3		5250-Offices			
3		5260-Basement			
2		5270-Garage or Parking Spaces			
		5290-Miscellaneous			
		TOTAL VACANCIES		(18,129)	
		NET RENTAL INCOME (Rent Income LESS Vacancies)			$ 500,270
3		5300 - SERVICE INCOME:		$	
		TOTAL SERVICE INCOME:			-0-
		5400 - FINANCIAL INCOME:			
3		5410-Interest Income		$ 1,133	
3		5420-Income From Investments			
3		5430-Income From Sinking Fund			
3		5490-Miscellaneous			
		TOTAL FINANCIAL INCOME			1,133
3		5900 - OTHER INCOME: Miscellaneous		$ 1,498	
		TOTAL OTHER INCOME			1,498
		TOTAL INCOME			$ 502,901
		6000 - PROJECT EXPENSE ACCOUNTS			
		6200 - RENTING EXPENSES:			
7	1	6210-Advertising		$	
8	2	6220-Commissions			
14		6230-Concessions to Tenants		1,189	
14		6240-Alterations			
		6290-Miscellaneous			
		TOTAL RENTING EXPENSES			$ 1,189
		6300 - ADMINISTRATIVE EXPENSES:			
11	5	6310-Office Salaries		$17,618	
9	7	6311-Office Expense		2,323	
9	7	6312-Office Rent			
9	3	6320-Management Fee		29,128	
10	4	6330-Manager or Superintendent Salaries			
13	8	6340-Legal Expenses (Project)		2,451	
13	8	6350-Auditing Expenses (Project)		5,170	
12	6	6360-Telephone and Telegraph		2,582	
14		6370-Bad Debts		1,182	
15		6390-Miscellaneous Protection 371, Misc. 539		910	
		TOTAL ADMINISTRATIVE EXPENSES			61,364
		6400 - OPERATING EXPENSES:			
24	17	6410-Elevator Payroll	$	-	
20	9	6411-Elevator Power			
18	11	6420-Fuel	26,295		
24	17	6421-Engineer Payroll		26,295	
24	17	6430-Janitor Payroll	19,561		
19	12	6431-Janitor Supplies	4,283	23,844	
24	17	6440-Bus Operator Payroll			
19	12	6441-Gasoline, Oil and Grease			
20	13	6450-Electricity		62,346	
21	14	6451-Water		24,748	
22	15	6452-Gas		57,322	
25	20	6460-Exterminating Payroll			
25	20	6461-Exterminating Supplies	2,141		
25	20	6462-Exterminating Contract		2,141	
25	16	6470-Garbage and Trash Removal			
23		6490-Miscellaneous		2,396	
		TOTAL OPERATING EXPENSES			199,092
		TOTAL EXPENSES TO PAGE 2			$

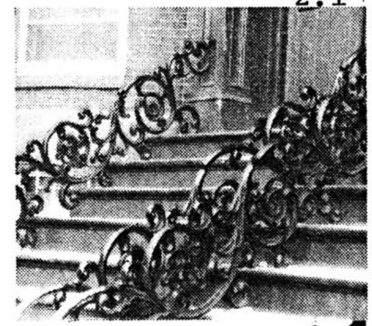
Replaces FHA Form No. 2410, which is obsolete

U.S. GOVERNMENT PRINTING OFFICE 1978 600-233 76-908

HUD USE ONLY 92558	92547	6000 - PROJECT EXPENSE ACCOUNTS (Continued)			
		TOTAL EXPENSES FROM PAGE 1			$ 261,645
		6500 - MAINTENANCE EXPENSES:			
24	17	6510-Protection Payroll	$		
24	17	6511-Protection Fee, Cost or Contracts		$	
24	17	6520-Grounds Payroll			
31	22	6521-Grounds Supplies and Replacements			
31	22	6522-Grounds Contract			
24	17	6530-Cleaning Payroll			
30	19	6540-Repairs Payroll	17,294		
30	19	6541-Repairs Material	8,120		
30	19	6542-Repairs Contract	13,588	39,002	
		6543-Repairs-Extraordinary and Nonrecurring			
33	10	6550-Elevator Maintenance			
34	11	6551-Air Conditioning, Repair and Maintenance			
29	18	6560-Decorating Payroll			
29	18	6561-Decorating Supplies	840	840	
29	18	6562-Decorating Contract		4,282	
34	19	6570-Motor Vehicle Repairs		2,489	
34	19	6580-Maintenance Equipment Repairs			
34		6590-Miscellaneous		180	
		TOTAL MAINTENANCE EXPENSES			46,793
		6600 - DEPRECIATION:			
		6620-Buildings		$225,660	
		6630-Building Equipment - Fixed			
		6631-Alterations			
		6640-Building Equipment - Portable			
		6650-Furniture For Project Administrative Use			
		6651-Furniture & Equipment-Project Owned for rental or lease			
		6660-Furnishings			
		6670-Maintenance Equipment			
		6680-Motor Vehicles			
		6690-Miscellaneous			
		TOTAL DEPRECIATION			225,660
		6700 - TAXES AND INSURANCE:			
36	28	6710-Taxes (list) On property	$83,358		
37	29	On payroll	5,029		
				89,387	
38	21	6720-Insurance		24,940	
		TOTAL TAXES AND INSURANCE			114,327
		6800 - FINANCIAL EXPENSES:			
		6810-Interest on Bonds Payable		$	
47		6820-Interest on Mortgage Payable		84,240	
		6830-Interest on Notes Payable (Long Term)			
		6840-Interest on Notes Payable (Short Term)			
48		6850-Insurance on Mortgage		19,172	
		6890-Miscellaneous Amortization of deferred finance fee		475	
		TOTAL FINANCIAL EXPENSES			103,837
		6900 - SERVICE EXPENSES (List):		$	
		TOTAL SERVICE EXPENSES			
		TOTAL COST OF OPERATIONS			$ 752,312
		OPERATING PROFIT OR (LOSS)			(249,411)
		7100 - CORPORATE OR MORTGAGOR ENTITY EXPENSES:			
		7110-Officer Salaries		$	
		7120-Legal Expenses (Entity)			
		7130-Federal Income Tax	$		
		7131-State Income Tax			
		7132-Other Taxes (Entity)		$	
		7133-Leased Furniture Expenses (Entity)			
		7190-Other Expenses (Entity)			
		TOTAL CORPORATE EXPENSES			
		NET PROFIT OR LOSS			$ (249,411)

U.S. GOVERNMENT PRINTING OFFICE 1978 600-233 76-908 Page 2 HUD-92410

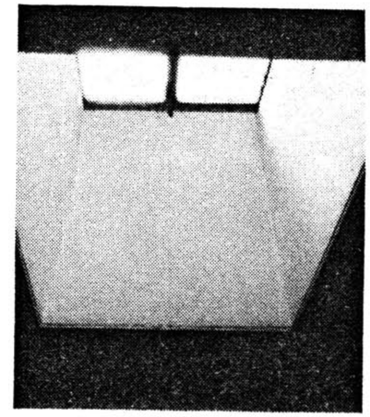
FIG. 6 tdc financial statement

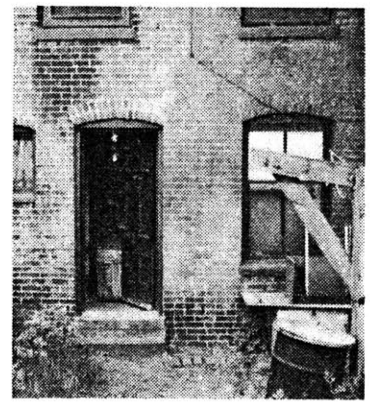


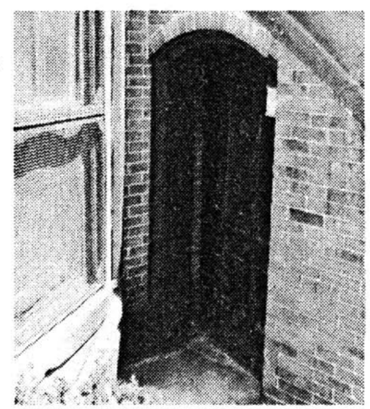
The typical South End Row House (TDC I and TDC II included) is a 3,4 or 5 story brick building, originally built as a single family dwellings for wealthy and middle income families. The house is set back 8-10 feet from the street with a wide brownstone stairway with low ornamental iron railings leading up to a pair of entrance doors. Inside, a second set of doors open into the vestibule and the vertical circulation paths. A long winder stairway which turns 90° at the top and bottom of each flight, with a continuous handrail indicates the path to the upper floors. (see Figure 7

Directly under the long upward run, we find the stairway down to the lower levels. At the top of the stairway there is a skylight admitting light to the middle of the long building. The winder stairway is located next to the party wall on one side of the house approximately halfway between the front and the rear of the house.

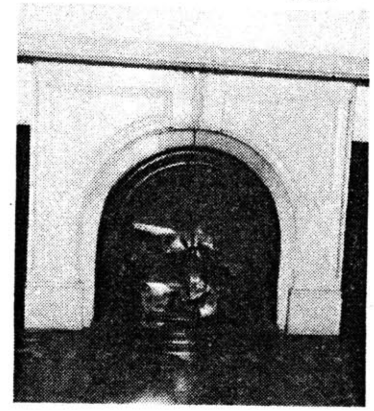
The floor below the main entrance floor is where the main stairway terminates. This floor has an exterior door leading to a small vestibule under the exterior front entrance stairway. The front room has two curved windows and the rear room over looks the backyard. There is a small room usually located behind the main stairways. We find another stairway located behind this small room leading down to the basement level which is primarily used for mechanical and storage space and in some cases, kitchens. There are no windows in front but there are windows in the rear. The floor material of the basement is usually wood, brick or compacted earth. The door leading to the backyard is located on the rear wall of the basement. In most South End buildings the grade level of the front year is from six to eight feet higher than that of the backyard. When the land was filled the streets were made higher than the adjoining land for the purpose of drainage and to provide cover for utilities.



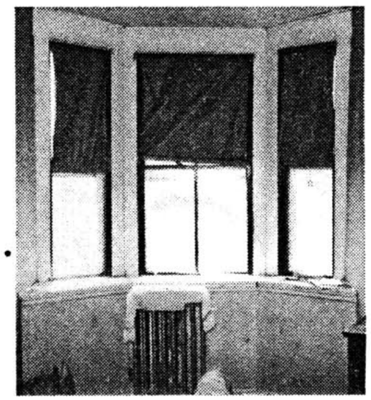




Returning to the main entry we find a door leading from the entrance hallway to the main front room. This room has two curved windows in the bow front and a marble mantle opposite the doorway built onto the party wall. Behind this room through a set of double doors, sometimes sliding, there is the main floor rear room. This room has two or three windows overlooking the backyard and alley and has its own marble mantle with an ornamental grill. On the main bedroom floor which is the next floor up, there are four rooms off the stairway; a larger front room; a larger rear room and two small side rooms, one to the front and one to the rear of the stairway. The main rooms have two windows each and a marble mantle and grill. Between the two main rooms is a double wall enclosing closets and in some cases, an archway. The side rooms are small without closets and generally the same width as the stairway, approximately six or eight feet wide.

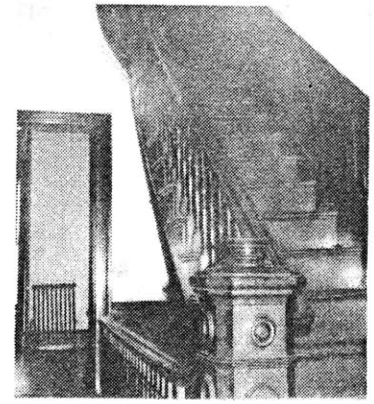


The top floor is often reduced in area in the front and rear because of either the mansared style or pitched roof. If the roof is pitched the floor has dormer windows. When those houses were one family homes the top floor was usually occupied by servants. Consequently on this floor we find no marble mantle or ornamental frills. On the entry level floor and the main bedroom floor there is found fancy trim work on both doors and ceilings.

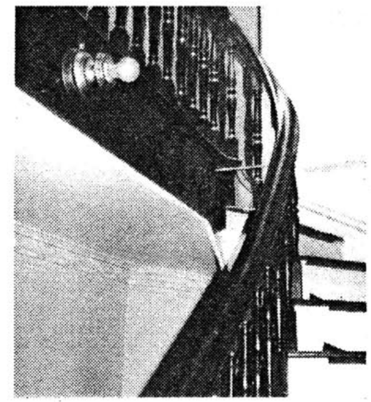


The principle interior finishes are rather elegant. Doors and windows on the main floors have 6 to 8 inch wide decorative casings. Ceiling heights vary. The ceiling and walls are of wood lathe and plaster fastened to wood strappings. The main rooms have ornamentally plastered cornics and ceiling medallions. Floor

framing is 2" x 10" or 2" x 12" wood joists spanning between the party walls. At stairheads and wells, 3" or 4" thick joists are used. The floors are built of 1" rough boarding plus finished flooring. The finish floor is usually soft pine.



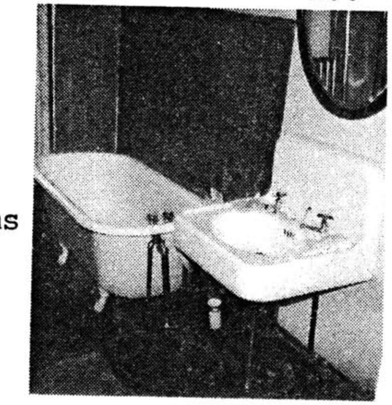
There is one important partition common to every row house. It runs the entire length of the building and encloses one side of the winder stair. It is a non-load bearing partition because the joists run from party wall to party wall. However in the center portion of the floors where joists are cut off for the stairway this partition becomes load bearing by adding another header on top of the wall studs. If foundations below this wall settle or rot, major deflections occur in the middle of the floors and stairs. In larger row houses 24 or 25 feet wide this partition has a foundation similar to the party wall and acts as a load bearing partition.

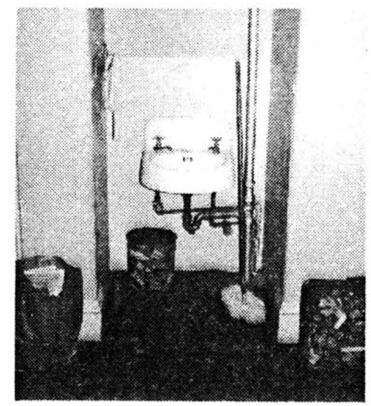


Much of the South End was created by a land filling operation and bearing capacity of the soil is uncertain. Most of the houses rest on wooden piles driven deep below the water table. There are some other houses that rest on slab foundations or on spread footings which go below the inorganic silt or peat layers which lie near the surface.[13] There are frequently found cracks in the exterior front and rear walls which indicate that there has been some settling in the foundation. The exterior face brick on the front of the houses is built with very tight joints and without ties into the common brick back-up wall. Party walls are 8 inches thick and made of soft common brick. Exterior window lintels are made of brownstone and interior lintels are made of wood. Exterior windows are wood, double hung with weights and pulleys, and curved at the bays. Flat roofs are tar and gravel and pitched roofs and mansards are made of slat size. Flashings and gutters were originally made of cooper but are now often made of aluminum.

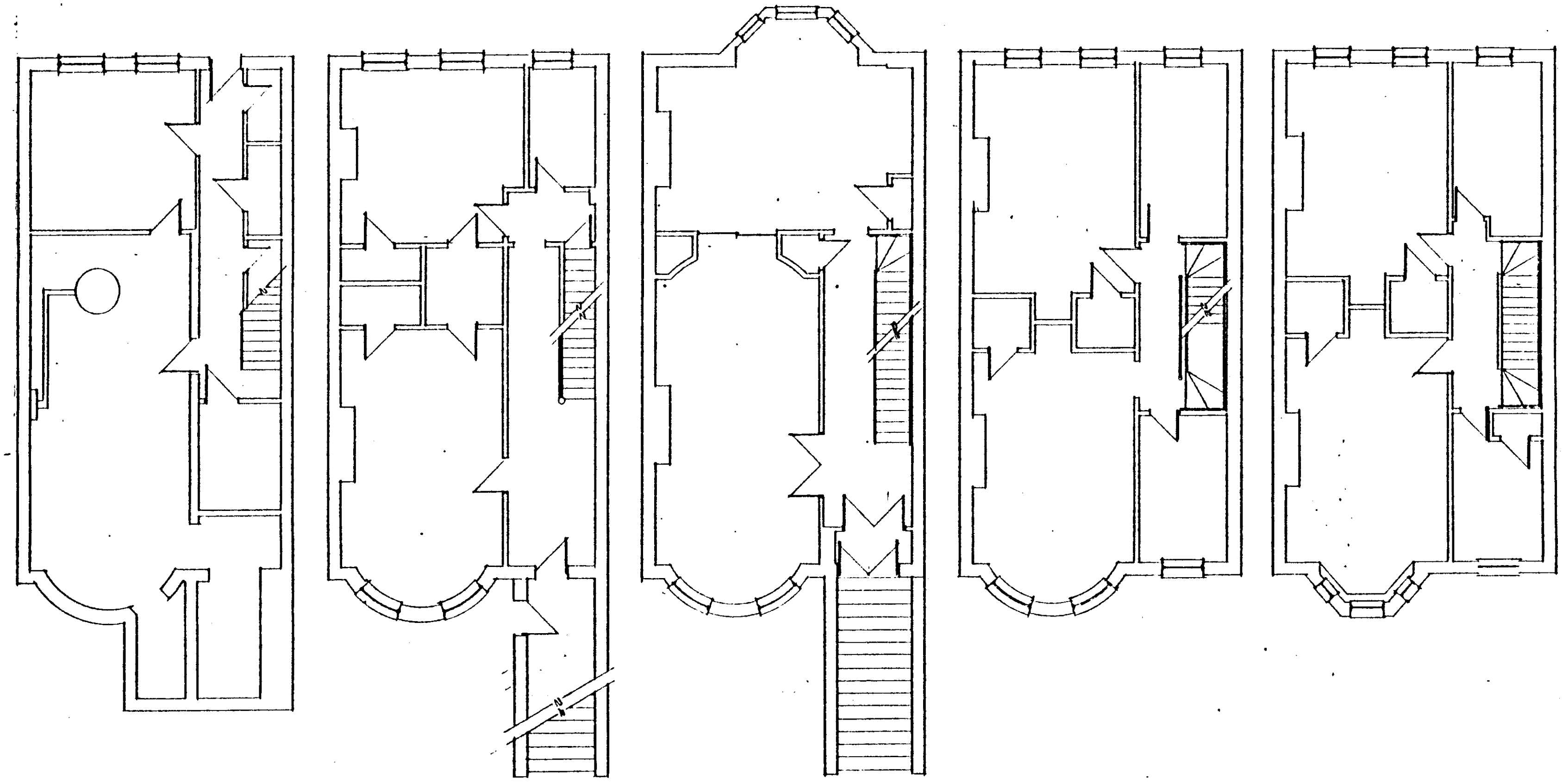
There are several styles of row houses (see Fig 8). Some are only 2½ stories high and measure 16 feet wide by 28 feet deep. Some of the 3½ story row houses have only a few steps leading to a single pair of exterior entrance doors on the first floor and the main parlor is on the second floor. Some of the houses on squares or main streets have six levels. These houses are 22 to 25 feet wide and as much as 42 to 44 feet deep. On the main commercial streets, the ground or street level floor directly below the parlor floor frequently becomes converted into commercial space.

The majority of the livable South End row houses have been sub-divided into one and two bedroom apartments often with a shared bath located in a rear side room. Years ago many of the rooms and some of the hallways had washbasins or sinks. The heating system is usually oil fired forced steam with radiators. Forced air systems are also found in some of these houses. At one time most of these houses had gas lighting with overhead ceiling lights and gas brackets on the walls. The electric service installed many years ago provides only a few scattered wall receptacles and are usually one to a room. The water service from the street is generally a three quarter inch lead or galvanized pipe and the sewer is a four inch line to the street or more often, a public alley at the rear of the property. Traditionally the public sewers are frequently brick and in disrepair. The South End has been plagued for year by an inadequate sewer system which is subject to flooding after heavy rains. At present, through most of the South End, new sewer and rainwater lines are being installed. This is the first time that the two lines will be separated and the result should greatly improve the flooding problem.





A row house now in the South End may sell anywhere from $10,000 to $80,000. Conditions which would severly depress the price of a house are structural settlement, including failure of the exterior masonry walls, extensive damage by fire or extensive deterioration and rot of the interior finishes and floor caused by prolonged weather exposure. Structural failures of South End row houses are sometimes so severe the buildings are sometime declared useless. In cases where exterior masonry walls have delaminated or where only sections of these walls have failed, the walls can be repaired. Party or side walls carry the floor loads and are generally in good condition. Except where the house has been vacant or adjoins an empty lot, party walls are protected and are not affected by wide variations of Boston temperatures. Fires are generally very serious. When the wood stairway floors and roof are extensively damaged, repair is not jusified. Inadequate drainage, ground water, lack of light and ventilation can cause extensive damage by moisture and rot empty houses. Vacant buildings are vandalized and copper and cast iron are ripped out of the building to be sold for junk.



Basement Ground First Floor Second Floor Third Floor

FIG. 7

Robert Whittlesey

FIG. 8

3 Selection Process

The memorandum of understanding authorizes the BRA to turn over to SETC (TDC) up to one hundred buildings in total. TDC's I and II have netted thus far only 56 buildings. The remaining forty-four is the impetus behind the concept of TDC III. When I first decided to do my internship at the Tenants Development Corporation's Office I was only told that a third development package was to be formed. No background work was done before I arrived so apparently I was to carry the ball. Another student and I worked very closely with Diana Kelly, Executive Director of TDC. She offered a tremendous amount of direction and informed us of all available information resources.

Logically the first order of business was to identify properties of which TDC might assemble for TDC III. It was hoped that of the properties available from the BRA a total of forty-four could be reached. We obtained an official BRA ownership list of properties (see Fig 9). There were a number of buildings that were now abandoned and have been designated by the BRA to some non-profit developers. These developers were often established corporations with many completed projects throughout the area. In some cases they were local church groups owning perhaps one or two properties hopeful of building a parish house or creating a playspace for the children. In most cases properties were designated to either community residents with hopes of securing a mortgage and providing a home for their families or to community controlled non-profit groups. With these things in mind we set as our first priority to only search out properties that had no designated developer.

After coming up with a fixed number of properties we noticed that they wee scattered all over the South End with no pattern or within no certain proximity to other TDC buildings. Therefore it was decided that since most other TDC properties are within a confined area and maintenance costs could be kept at a minimum if properties were concentrated, a second priority on properties chosen could be put into effect. Those properties within a close proximity of other TDC properties would only be considered. "A close proximity" was an arbitrary statement. If the property seemed to be more than two or three blocks away from the closest TDC building it was discarded.

At present, the properties of TDC I and II are all within a 30 block area in the South End of Boston. This area is bounded by the Penn Central railroad tracks on the north, Harrison Avenue on the

South, Braddock Park on the East and Northampton Street on the West. The TDC Management Office is located at 663 Massachusetts Avenue, near Northampton Station. Some of the properties that we discarded were as far away as East Berkeley Street near the Southeast Expressway.

The first inspection that was made was a type of windshield survey. I looked for the number of stories, the number of existing apartments, and general exterior conditions. On the facade I tried to notice things like condition of brick coursings, window openings, conditions of ornamental work, the front steps, gutters, downspouts, etc. The condition of the face brick and lintels usually give one a good idea on structural conditions. An uneven brick coursing line usually connotes settling in the foundation. After looking at the first building I put together a short survey sheet to give a general idea on my findings (see chapter on Selected Buildings). Most categories were rated good, fair, or poor, with a good rating most encouraging for development. It was noted that all buildings were potentially restorable. Structurally some builings needed more work than others. One case in point is 14 Rollins Street. The rear and side wall had literally decayed causing a tremendous amount of water damage. The wood members were badly warped causing all sorts of cracking in walls and ceilings. A contractor experienced in row house rehabilitation was called in to inspect the structural damage. He surmised that repairing the rear wall only would entail tearing out damaged members (the extent of which is unknown), a good amount of bracing, carpentry and masonry not to mention roofing. All in all he estimated from sixty to seventy thousand dollars worth of structural work to be done on this one building before the actual apartment rehabilitation could begin. Needless to say this building was discarded as a housing option since the estimated total cost of construction was over one hundred and sixty thousand dollars ($160,000).

In this first inspection only the questions on the survey dealing with exterior conditions could be dealt with. The questions included:

1) What is the present use of the building?
2) Number of floors
3) Is the neighborhood conducive for conversion to residential units?
4) Is there open space?
5) Number of doors

6) Conditions of facade, windows, roof, gutters and foundations

The questions of open space is important because most of the TDC units are occupied by families with small children whom are in need of outdoor play space. This is one major problem in the Southend. There are a few small pocket parks around but the street design allowed very little space for children to play. In very few of the buildings surveyed we found what could be called a yard sizeable enough for a play space for children.

The number of doors to the outside is another important consideration. There is a fire law that states that there has to be at least two means of egress from each living unit. These means of egress can either go directly outside or to a fire rated enclosed stairway or hallway which leads directly outside. This means that there has to be at least two means of egress from the building which do not open to the same side. In TDC's situation where we might be altering the number of apartment units in the building, we must know the number and locations of existing doors that lead outside.

This process of elimination did not yield a satisfactory number of properties for TDC's development. Over half of these had designated developers. Of the half with no designation we began seriously ruling out properties by priorties. By elimination because of location,our list fell to forty-nine properties. Two of these properties, 225-227 East Berkeley Street were geographically out of the area but upon inspection we found the properties in very good condition (which was an uncommon occurance). It was decided that for this phase we would leave them on the list. Of this list of 49 there were some commercial buildings along Washington, Tremont and Northampton Streets and Harrison Avenue, that were assigned developers approximately five years ago. To this date no work has been done on any of them and the BRA has neither heard nor received any plans for development of these buildings. The fact that these buildings are a short distance from other TDC buildings made them even more attractive for development in TDC III. The Massachusetts Avenue and the Wellington Street buildings are especially attractive since TDC has already developed in those blocks. These buildings were added the forty-nine and arrangements were made with the BRA maintenance crew to allow us access to the buildings.

Armed with a clipboard, survey sheets and flashlight we were accompanied by the maintenance men and their crowbars. We went down the list and inspected nearly every building. Some buildings were boarded up so tightly by private contractors we could not pry the boards wide enough to squeeze in. One particularly interesting building was the St. Phillips Church, 905 Harrison Avenue. A private contractor had been called in to board it up. He had welded a sheet of rolled steel over the doorway and windows on the ground level and then nailed plywood panels to cover the steel. Needless to say our crowbars were no match for the steel armor. Another strange thing was that the windows and doors were welded from the inside. After the last opening was welded the contractor had apparently, with his equipment climbed through a second story window and down to the ground.

With the addition of the designated properties the list grew to sixty-nine properties (see Fig 10). All sixty-nine were inspected from top to bottom where possible. I noted conditions of stairs, ceilings, floors and walls. I was also looking for any special internal structural conditions. The stairs and floors are good indicators in these situations. If the stairs are leaning to one side there is a good chance that foundation has settled under the bearing wall to which the stairway is attached. If the floors are uneven there is a good chance that water has somehow gotten through to the subflooring in which case the plywood has warped. This may not be a major problem. If enough water has gotten through to the structural member then major warping would occur and the entire section of floor would have to be removed. I noted plumbing and heating systems also. In most cases all the plumbing fixtures have either been broken or stolen. Broken kitchen sinks and toilet fixtures was the scene often encountered. Copper piping which is valuable for resale was completely stripped from plumbing. Actually, copper was taken from plumbing, roof flashing and from furnaces of all of these buildings. Most of the old cast iron radiators were also taken for resale. I went into all of the basements and noted as much as I could. Most were dry with a poured concrete floor. A few I inspected had broken water lines leading from the street and were flooded.

Once inside of the building I was able to estimate the approximate number of units that could be constructed. In many cases it was satisfactory to simply renovate the units as they were. In other cases it might have been possible to get two new units out of one, depending upon the number of bedrooms provided. Once I determined the number of units I was able to give a ballpark figure for the cost of rehabilitation using the figure $30,000 as a minimum cost for one unit.

Following the housing inspections we began reviewing the survey sheets. We looked again at locations, building types and designated developers. The Washington Street and Tremont Street buildings were eliminated because of their building type. They were commercial buildings and did not seem feasible for rehabilitation for living units. Also, the location of these buildings adjacent to the Massachusetts Bay Transportation Authority's (MBTA) Orange Line elevated rail, would be a negative environmental impact. 410-419 Harrison Avenue were commerical buildings with apartments above. These buildings might have served our purpose but it was decided that they were too far away from other TDC buildings. 437 Harrison Avenue was a garage deemed unrehabilitatable for apartment living and not central enough for community space. 225-227 East Berkeley Street were in good condition but they were located not far from 410-419 Harrison Avenue and also deemed too far from other TDC buildings. 731 Harrison Avenue is an old school building designated for long term rental to Home Inc. (a group home and work space for artists. For this reason it was discarded. 889 and 905 Harrison Avenue, St. Phillips Church and its rectory were eliminated because the church would be too large and costly to maintain as meeting and community space. The high ceilings and long narrow windows would not be conducive for apartment rehabilitation. It was decided that the church and rectory should be treated as one package so when the chruch was discarded, so was the rectory. 478 Shawmut Avenue was eliminated because the building was completely bombed out. There was a fire in the building and many of the structural members burned away. The cost of contruction would be too great. The same situation exists at 14 and 16 Rollins Street. The rear wall is delaminating and the cost for rehabilitation would be too high. 45 and 47 Thorndike Street were eliminated because of two reasons. The first being that the location was no longer close to other TDC buildings since the removal of St. Phillips Church from the list and the second the fact that a community resident was interested in buying the buildings. Also eliminated was 569-573 Columbus Avenue. The buildings are being sought by United South End Settlements (USES) for elderly congregate housing and that project has the support of other community groups.

Added to this list are the existing buildings on the Tent City Site 353-355 and 359-361 Columbus Avenue and 108-110 Dartmouth Street. The Tent City Task Force wants to look at the option of having TDC do mixed income rentals on the existing buildings and the Task Force itself develop moderate and luxury apartments. Also added to the list are the eight addresses on Massachusetts Avenue and 32 Wellington Street. These buildings have been designated to the developers Higgonbottom-Farron-Costa Associates (HFC), and United Community Development Corp. (UCD). They were designated some time ago and to date nothing has happend. It is thought by TDC's staff that if a funding source can be found and a proposal is submitted to the BRA for aquisition of the buildings the designation could be rescinded from both HFC and UCD (see Fig 11 and Appendix C).

The reviewing process of the sixty-nine orginal buildings finished with twenty-one buildings and approximately one hundred and five dwelling units. As this section has shown these twenty-one buildings have come through an efficient elimination process, and the following chapters will outline funding source and recommendation for cooperative development.

ADDRESS	OCCUPANCY USE
1783-1787 Washington St.	Comm. Only
(135-141 Northampton St.)	Comm. Only
1900-1900A Washington St.	Comm.
4-10 Clarendon St.	Res.
12-14 Clarendon St.	Res.
16-18 Clarendon St.	Res.
294-296 Columbus Ave.	Comm.
353-355 Columbus Ave.	Res./Comm.
359-363 Columbus Ave.	Res./Comm.
360 Columbus Ave.	Res./Comm.
362 Columbus Ave.	Res./Comm.
364-366A Columbus Ave.	Res./Comm.
368-372 Columbus Ave.	Res./Comm.
324 Columbus Ave.	Res./Comm.
376 Columbus Ave.	Res./Comm.
380 Columbus Ave.	Res./Comm.
110 Dartmouth St.	Res.
77-79 East Berkeley St.	Res./Comm.
81-81A East Berekeley St.	Res./Comm.
225-227 East Berkeley St.	Res./Comm.
26-34 East Concord St.	Comm.
889-905 Harrison Ave.	Comm.
389-393 Massachusetts Ave.	Res./Comm.
395 Massachusetts Ave.	Res.
397 Massachusetts Ave.	Res.
402 Massachusetts Ave.	Comm.
404-408 Massachusetts Ave.	Res./Comm.
410-412 Massachusetts Ave.	Res./Comm.
426-428 Massachusetts Ave.	Res./Comm.
6 Newland St.	Res.
8 Newland St.	Res.
8 Pembroke St.	Res.
10 Pembroke St.	Res.
12-12A Pembroke St.	Res.
14 Pembroke St.	Res.
11 Pembroke St.	Res.
13 Pembroke St.	Res.
15 Pembroke St.	Res.
14 Rollins St.	Res.
345-349 Shawmut Ave.	Res./Comm.
375 Shawmut Ave.	Res.
478 Shawmut Ave.	Res.
45 Thorndike St.	Res.
47 Thorndike St.	Res.
530 Tremont St.	Res.
593-593A Tremont St.	Res./Comm.
611-611A Tremont St.	Res./Comm.
760 Tremont St.	Res.

ADDRESS	OCCUPANCY USE
7-11 Berkeley St.	Res./Comm.
15-21 Berkeley St.	Comm.
35-37 Bradford St.	Comm.
17 Clarendon St.	BCA - Comm.
378 Columbus Ave.	Res./Comm.
569/573 Columbus Ave.	Comm. Only
575-575A Columbus Ave.	Comm. Only
108 Dartmouth St.	Res.
116 Dartmouth St.	Res.
69A East Berkeley St.	Comm. Only
75 East Berkeley St.	Comm. Only
81-81A East Berkeley St.	Comm. Only
149-151 East Berkeley St.	Comm. Only
209-211 East Berkeley St.	Res./Comm.
213-215 East Berkeley St.	Res./Comm.
217-219 East Berkeley St.	Res./Comm.
221-223 East Berkeley St.	Comm. Only
406-412 Harrison Ave.	Res./Comm.
414-416 Harrison Ave.	Res./Comm.
415-419 Harrison Ave.	Comm.
437 Harrison Ave.	Comm.
731 Harrison Ave.	Comm.
390-400 Massachusetts Ave.	Comm.
783 Massachusetts Ave.	Comm.
4 Newland St.	
16 Rollins St.	Res.
377 Shawmut Ave.	Res.
532-532A Tremont St.	Comm. Only
537-541 Tremont St.	Comm. (B.C.A.)
549-551 Tremont St.	Comm. (B.C.A.)
557 Tremont St.	Comm. (B.C.A.)
565-569A Tremont St.	Comm. (B.C.A.)
1002-1006 Tremont St.	Comm.
8 Warren Ave.	Comm. (B.C.A.)
72 Warren Ave.	Comm.-(Site Office)
65 Warwich St.	Comm.
1134-1140 Washington St.	Comm.
1777-1781 Washington St.	Comm. Only
822-840 Tremont St.	Comm.
32 Wellington St.	Res.
49 West Dedham St.	Res.
75A West Dedham St.	Comm.
61 West Newton St.	Res.
63 West Newton St.	Res.
65 West Newton St.	Res.
67 West Newton St.	Res.
1154-1160 Washington St.	Comm.
1724-1726 Washington St.	Comm.
1734-1740 Washington St.	Res./Comm.

bra property

FIG. 9

BRA-OWNED BUILDINGS	Assigned Designated Developer
1134-1140 Washington St.	United Community Development, Inc.
1154-1160 Washington St.	United Community Development, Inc.
1724-1726 Washington St.	Higgonbottom Farren Associates
1734-1740 Washington St.	Higgonbottom Farren Associates
1777-1781 Washington St.	Higgonbottom Farren Associates
1783-1787 Washington St.	Higgonbottom Farren Associates
1900-1900A Washington St.	Higgonbottom Farren Associates
611-611A Tremont St.	United Community Development, Inc.
722 Tremont St.	United Community Development, Inc.
14 Rollins St.	United Community Development, Inc.
16 Rollins St.	United Community Development, Inc.
135-141 Northhampston St.	Archdioces of Boston
4-6-8-10 Clarendon St.	Unknown community resident
12-14 Clarendon St.	Unknown community resident
16-18 Clarendon St.	United Community Development, Inc.
225-227 East Berkeley St.	
410-412 Harrison Ave.	
414-416 Harrison Ave.	
415-419 Harrison Ave.	
437 Harrison Ave.	
731 Harrison Ave.	
889-905 Harrison Ave.	
478 Shawmut Ave.	
45 Thorndike St.	
47 Thorndike St.	
32 Wellington St.	
569-573 Columbus Ave.	
575-575A Columbus Ave.	
395 Massachusetts Ave.	
397 Massachusetts Ave.	
402 Massachusetts Ave.	
404-412 Massachusetts Ave.	
426-428 Massachusetts Ave.	

FIG. 10

Address	Approx. Number of Dwelling Units
1. 395 Massachusetts Ave.	3
2. 397 Massachusetts Ave.	3
3. 402 Massachusetts Ave.	1
4. 404 Massachusetts Ave.	12
5. 408 Massachusetts Ave.	12
6. 410 Massachusetts Ave.	4
7. 412 Massachusetts Ave.	4
8. 426 Massachusetts Ave.	6
9. 434 Massachusetts Ave./575 Columbus Ave.	commercial
10. 4 Clarendon St.	3
11. 6 Clarendon St.	3
12. 8 Clarendon St.	commercial
13. 10 Clarendon St.	commercial
15. 14 Clarendon St.	3
16. 16 Clarendon St.	3
17. 18 Clarendon St.	commercial
18. 32 Wellington St.	16
19. 353-355 Columbus Ave.	8
20. 359-361 Columbus Ave.	8
21. 363 Columbus Ave.	4
22. 108 Dartmouth St.	4
23. 110 Dartmouth St.	4
TOTAL	105 Units
	21 Buildings

FIG.11 selected bldgs.

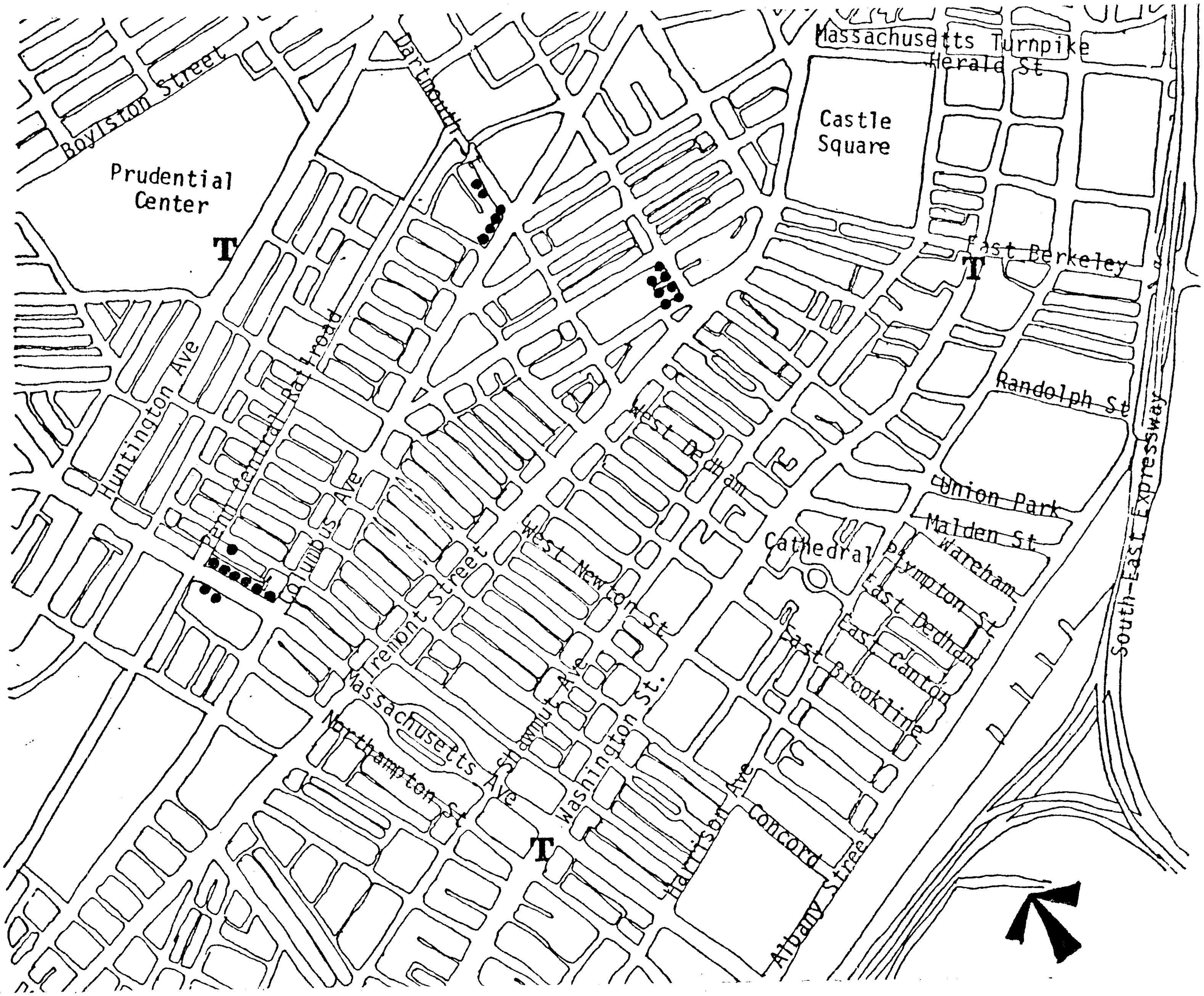

Massachusetts Turnpike
Herald St
Castle Square
Boylston Street
Prudential Center
T
Dartmouth
East Berkeley
T
Randolph St
Huntington Ave
Penn Central Railroad
West Dedham
Union Park
Malden St
Wareham
Cathedral
Plympton St
East Dedham
East Canton
East Brookline
South-East Expressway
Columbus Ave
Tremont Street
West Newton St
Washington St.
Shawmut Ave
Massachusetts Ave
Northampton St
Harrison Ave
Concord
Albany Street
T

FIG. 12

The BRA's Memorandum of Understanding originally offered TDC up to 100 buildings for rehabilitation. TDC I and TDC II have netted the corporation 56 of these 100. The original intent of this document was to offer a development package for the remaining 44 buildings. Through the process of elimination of the 69 buildings examined, 21 of the 44 have been agreed upon by the TDC staff. At this point in the process, the possibility of acquiring the buildings looks favorable leaving 23 buildings yet to be developed.

There are many buildings in the South End that are abandoned and boarded up that do not belong to the BRA. Many have private owners and many others have been taken over by the City because of delinquent property taxes. These buildings are said to be in "Tax Title" and it is conceivable that TDC, after forcelosure proceedings are complete, could assume ownership at public auction.

Knowledge of these buildings was gained by a simple windshield survey. Riding up and down the streets of the South End and making note of abandoned buildings and the possible number of units each could accommodate. The first list acquired contained 33 buildings. A check with the tax department to determine which of these buildings were owned securely and which were in tax title revealed 20 of them in some phase of the foreclosure process. If TDC could place these buildings in another development package (TDC IV) the Memorandum of Understanding with the BRA would be closer to being closed out.

BUILDINGS IN TAX TITLE

	Address	Approx. Number of Dwelling Units
1.	41 Worcester St.	5
2.	65 Worcester St.	5
3.	67 Worcester St.	5
4.	71 Worcester St.	5
5.	158 Worcester St.	?
6.	459 Massachusetts Ave.	5
7.	461 Massachusetts Ave.	5
8.	487 Massachusetts Ave.	5
9.	534 Massachusetts Ave.	5
10.	579 Massachusetts Ave.	5
11.	600 Massachusetts Ave.	3
12.	28 Claremont Park	4
13.	36 Claremont Park	4
14.	14 Concord Square	4
15.	16 Concord Square	4
16.	27 Concord Square	4
17.	29 Concord Square	4
18.	203 West Springfield St.	4
19.	3 Wellington St.	4
20.	36 Greenwich Park	4
	TOTAL	84

FIG.13 tax title bldgs.

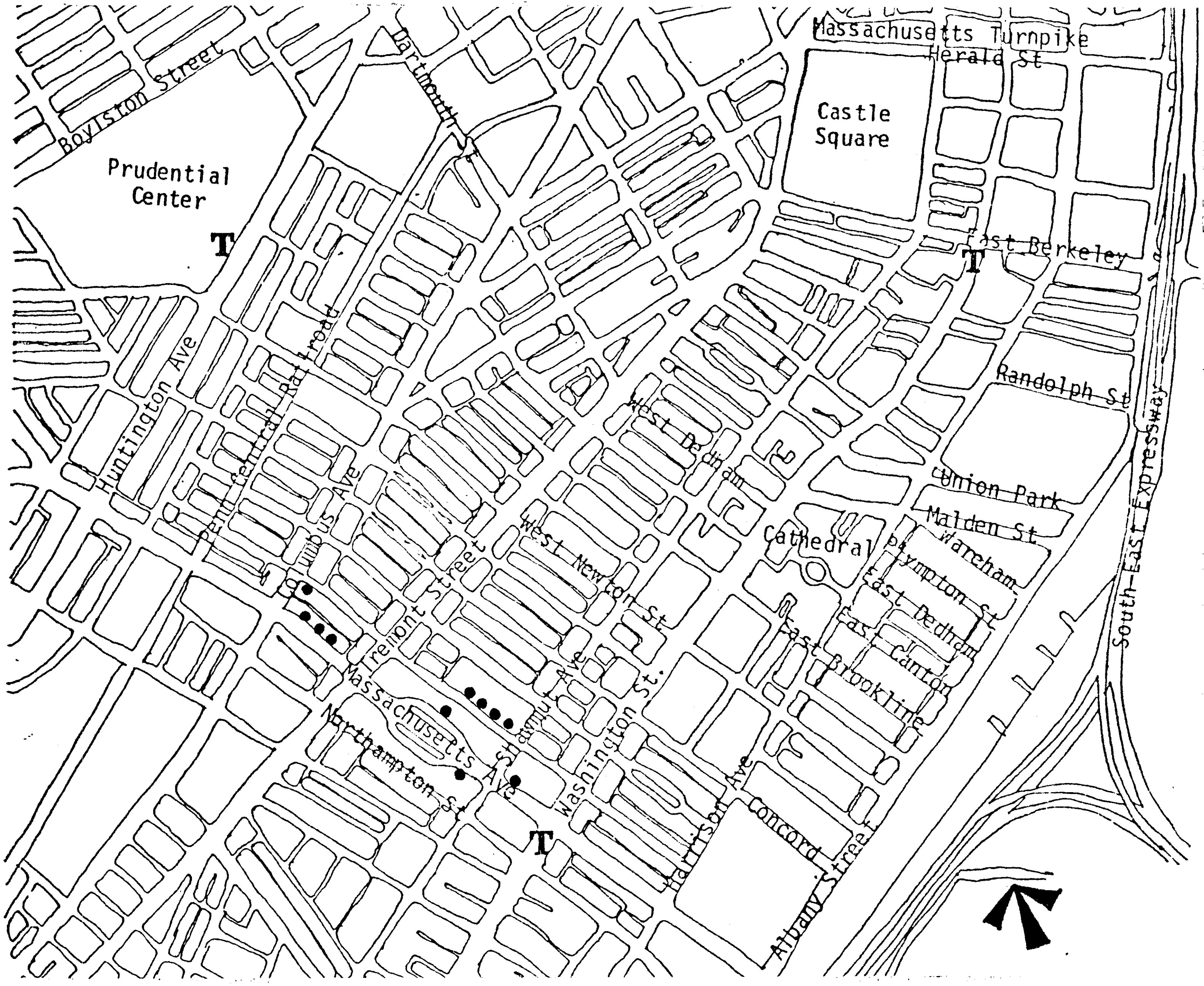

Massachusetts Turnpike
Herald St
Castle Square
Boylston Street
Prudential Center
T
Dartmouth
East Berkeley
T
Randolph St
South-East Expressway
Huntington Ave
Penn Central Railroad
West Dedham
Union Park
Malden St
Cathedral
Wareham
Plympton St
East Dedham
Columbus Ave
West Newton St
Tremont Street
East Canton
East Brookline
Shawmut Ave
Washington St.
Massachusetts Ave
Northampton St
T
Harrison Ave
Concord
Albany Street

FIG. 14

5 HOUSING COOPERATIVES
6 SECTIONS 213, 221(d)(3)
7 SECTION 202
8 MHFA
9 SUMMARY
10 CONCLUSIONS & RECOMMENDATIONS

Cooperative Development II

"A Housing co-operative is a co-operative society which corporately owns a Housing Estate in which each member occupies or is a prospective occupier of a dwelling".[14]

There are a list of six co-operative principles that state the working rules of a successful co-operative society. These principles provide a framework for meeting both social and economic needs, and a housing cooperative enables people to collectively own and control one of their fundamental human rights - housing on the basis of mutual aid rather than individual gain. The six principles are a set of practical rules and methods of action and organization. The six principles are as follows:

1. Membership of a cooperative society should be voluntary and available without artificial restriction or any social, political, racial or religious descrimination, to all persons who can make use of its services and are willing to accept the responsibilities of membership.
2. Cooperative societies are democratic organizations. Their affairs should be administered by persons elected or appointed in manner agreed by the members and accountable to them. All members should have equal rights, in voting

one member, one vote, and participation in decisions affecting their societies. Total democracy should prevail.

3. Share capital should receive only a strictly limited rate of interest if any.
4. Surplus or savings, if any should be distributed evenly among members.
   a. By development of a business coop
   b. By provision of common services
   c. By distribution among the members in proportion of their transactions with the society.
5. All co-operative societies should educate their members, officers, and employees and the general public in the principles and techniques of co-operation, both economic and democratic.
6. All cooperatives, in order to best serve the interests of their members and their communities, should actively co-operative in every practical way with other cooperatives at local, national and international levels.[15]

Housing coops are unique because they are owned collectively by their members. Members are not tenants; they are joint owners of their own Housing developments and are their own landlords.

Housing cooperatives are established as non-profit corporations whose specific purpose is to provide housing for their members, who are stockholders in the co-op corporation. Buying a share usually known as a membership certificate, entitles the purchaser to hold a proprietary lease, commonly known as the occupancy agreement. The occupancy agreement gives the purchaser the exclusive right to occupy a dwelling in the development and to participate as a member in the operation of the co-op. Housing co-ops traditionally function under the same principles that guide all other types of cooperatives: open membership, with no restrictions as to race, religion, sex or age; representative democratic control, with each member entitled to one vote in electing directors who administer the co-ops operation; and limited return on capital, with charges determinted by actual costs. Monthly payments are called carrying, housing or occupancy charges; they are not rent. Residents are usually called members or cooperators, not tenants. Co-op housing is a unique form of joint ownership of multi-family housing developments by people who live in them.

Housing co-operatives provide their members with many of the advantages of home ownership. Similar to home owners, co-op members have the security of long tenure, as long as they pay their housing charges on time and abide by the terms of the agreements. Occupancy agreements provide for automatic renewal of the proprietary lease every three years, and responsible members can generally stay in the co-op for as long as they want. Co-op members have considerably more freedom of mobility than the average home owner or condominium owner (who purchases a particular unit of a multi-family project). The co-op member owns a share in a housing development, not a particular dwelling unit. The co-op corporation holds title to the total project and directly assumes the mortgage, tax, and other obligations of owning and operating it. A co-op membership can usually be more readily resold than other real estate because it costs considerably less and involves less legal transactions.

Co-op members, because they are owners seem to feel a greater sense of pride, responsibility and community than renters do. Consequently, maintenance costs, crime and vandalism is less than in rental projects.

Some other economic advantages in the form of income tax deductions for their share of the mortgage interest and property taxes paid by the co-op, and fewer vacancy and collection problems resulting in lower per-unit maintenance and operating costs are available to the co-op member. Equity accrued by each member is an important factor in forming a cooperative and in the major difference in rental and cooperative housing. Equities can be broken down into three categories:

1. Market Value- Provides for a member withdrawing with a capital gain on his equity (Membership Loan Share). This capital gain is a function of the increase in Market Value of the land and buildings caused by inflation and speculation.
2. Mortgage Repayment- Provides for the member withdrawing with an amount related to the mortgage principle which he has repaid while he has been living there.
3. Par Value- Provides for the member who leaves selling back his membership loan share to the society at par value i.e., he withdraws no more than this orginal capital

contribution.

It is difficult to dispute the benefits available to coop- perative members. A sense of pride and responsibility coupled with the economic advantages available makes the cooperative an attrac- tive housing alernative. Most of the disadvantages that occur are related to the financial aspects of cooperative living. A few of these disadvantages include:

1. <u>Increased Expenses</u>- The cost of materials, supplies, labor, insurance, taxes, etc. may go up during the life of the cooperative. Proportionately, the monthly carrying charges will also increase. On the other hand, if it happens that these previously named charges should somehow decrease, the monthly carrying charges would also decrease proportionately.

2. <u>Vacancies</u>- If any number of apartments remain vacant for any extended period of time, whatever reserves the coop has would be

eventually used up and the owners would have to make up the difference. One solution to this problem would be to rent vacant apartments until they could be resold.

3. <u>Undesirable Tenant</u>- An undesirable tenant who destroys and depreciates the value of the property or one who simply does not pay his carrying charge is doing both mental and financial harm to other members of the cooperative. As is legally written up in the lease, he will be asked to leave by the Board of Directors.

4. <u>Fluctuating Land Value</u>- In situations where land values decline, the resale value of an apartment would likewise decline

proportinately. In situations where land values increases, it is usually seen as a benefit to the departing member. It can also become a liability to the cooperative in time. If re-sale value becomes so high that potential new members are un-willing to join or unable to afford to, resulting vacancies can cause serious financial problems for the members who remain. It is wise for a coop to limit their members transfer value in order to protect their economic stability.

Despite the fact that economics play such an import role in the development of housing cooperatives, and is the source of many of its disadvantages, economic profit is not a major impetus in the cooperative's formation. Cooperative housing offers its members the opportunity of determining the kind of community they will live in, the quality of services it will provide, and the way in which it will develop.

Another cooperative housing development approach is a fairly new concept. A "Leasing Cooperative" is one in which a cooperative corporation leases property occupied by its members.[16] It is very similar to a tenant management corporation where tenants assume resident participation and community control. The major difference between a leasing cooperative and tenant management is that in the former, each tenant has the opportunity to accure equity. The major difference between a leasing cooperative and an Ownership Cooperative is that in the former the members never get title to the property. The Owner/Developer owns the property, forms a limited partnership and sells shares in the property for the purpose raising equity funds, and then leases the property in total to a corporation of resident shareholders which then manages the property through a managing agent.

Where members are eligible for Section 8 or equivalent housing assistance; they will pay perhaps 25% of the income towards rents, while sharing in profits and building equity and residual values. Also, the members can through their own control over management be assured that the federal subsidies are being fairly and equitable applied, and that the operating funds are being spent in ways that are most beneficial to them.

Members of a leasing cooperative while not being able to receive title to the property, can enjoy most of the benefits of a homeownership cooperative. Each member family has one vote in all elections of resident Board of Directors. The control over day to day operations and maintenance duties is exercised by the members through this Board of Directors. The members can accumulate equity as the assets of the cooperative grow. The cooperative can have an option to acquire title at some later date, so it can be considered as a transition step to ultimate ownership. Members can have immediate economic and social benefits. Practically all multi-family projects can be operated more economically and more satisfactorily if the residents have a meaningful stake in policy formulation, maintenance and operations. The cooperative's Board of Directors can establish all needed rules and regulations and budgets to govern all maintenance, repairs and improvements to the property.

The Department of Housing and Urban Development insures project mortgages on cooperative housing under Sections 213 and 221(d)(3) of the National Housing Act. Several types of cooperative mortgages are provided for under these programs.

(1) Pre-sold "Management Type" cooperative - This is a cooperative owned by a non-profit making housing corporation and is restricted to occupancy by only members of the corporation. Mortgage insurance is available under both 213 and 221 programs. However the mortgage amount cannot exceed the least of the following:

(a) Section 213 - 98% of FHA estimated cost.

Section 221(d)(3) - 100% of FHA estimated cost.

(b) Section 213 - per unit limits.

Section 221(d)(3) - per unit limits.

	Section 213		Section 221(d)(3)	
	Non-Elevator	Elevator	Non-Elevator	Elevator
0-BR	27300	33750	23604	29520
1-BR	30240	37800	26107	33534
2-BR	36120	40350	31298	39744
3-BR	44520	58050	39413	49680
4-BR or more	50400	65637	44638	57600

The limit on the terms of the mortgage is 40 years with the current interest rate of 9½%, it is paid monthly on the principle outstanding. In all HUD insured cooperatives, HUD is authorized to give technical advice and help in organizing the corporation and in planning, building, and operating the project for the length of the mortgage insurance, but they rarely do so.

(2) Investor-sponsor cooperatives - Here the mortgagor must assure HUD that he will sell the project within two years after finishing construction. The mortgagor is a profit-motivated corporation and the buyer must be an approved cooperative. If the project is not sold within two years the mortgagor has to run the project as a rental subject to HUD rules. The loan can not exceed 98% of the HUD estimated cost of the project. However the cooperative that buys the project can receive a loan subject to the limitation of Sections 213 or 221(d)(3).

(3) Mortgage on existing projects - The mortgagor is a cooperative buying an existing project that was built prior to the filing of the Section 213 mortgage insurance application. The maximum loan in this case is 98% of the FHA estimated value.

(4) Supplementary cooperative loans - These loans can be obtained by cooperative projects purchased from the federal government through uninsured mortgages that are also eligible for supple-

mentary loans. It could be used to finance improvement, repairs, the purchase of community facilities, or a cooperative purchase and resale of memberships. Unless it is to finance improvements or community facilities, the loan amount can be no more than the difference between the original project mortgage and the balance outstanding on the mortgage or 97% of the FHA estimate of the value for continues use as a cooperative. If the supplementary loan is for improvements or community facilities, the loan may be somewhat higher.

(5) Sales type cooperatives - A non-profit housing corporation that is formed to contract for purchase of land and construction of individual homes for its members. There is a blanket mortgage that does not exceed the sum of individual mortgages. When the project is complete, the blanket is removed and owners can take individual mortgages similar to FHA's program for home buyers.

There are no income limits placed upon the household in the 213 program there are, however ceiling incomes for the 221(d)(3) program.

Section 221(d)(3)

1 person	$11,950	5 persons	$18,150
2 persons	13,700	6 persons	19,250
3 persons	15,400	7 persons	20,300
4 persons	17,100	8 persons	21,400

Found in Appendix D are the analyzed development costs for the 21 buildings and 105 dwelling units to be developed for TDC. These tables are to be used to determine the economic feasibility fo both the 213 and the 221(d)(3) mortgage insurance programs.

- Unit mix is determined by ratios related to TDC's current waiting list.
- Building cost is assumed to be $10,000 per building.
- Construction cost is estimated at $25 per square foot.
- Development is to be done by TDC but included in the development fees are finance charges, taxes during construction, insurance and consulting and office fees.
- Boston is a high cost area as is determined by the assistant secretary of housing. Its high cost percentage is 1.4 which means the unit limit for any HUD program mortgage can be exceeded in Boston by 1.4 times, legally.
- Bad debt is defined as unpaid rents and charges.
- Expenses categories are broken down as follows:

Maintenance - 5% of total	Repairs payroll, repairs material, repairs contract, motor vehicle repairs.

Administration - 5% of total	Office salaries, office expense, payroll taxes, management fee, legal audit, telephone, misc.
Operating - 10% of total	Oil, gas, electricity, water & sewer, janitorial payroll, janitorial supplies, exterminating.
Taxes and Insurance - 15% of total	Property taxes, property insurance.
Debt Service - 65% of total	Mortgage interest, mortgage principal, mortgage insurance.

- On both 221(d)(3) and the 213 program, a 1% down payment is required. On the 221(d)(3) program a 100% mortgage is guaranteed. With the required cash down payment of 1%, only a 99% mortgage is necessary. The same holds for the 213 program. Since its maximum mortgage guarantee is 98% of the cost and at least 1% has to be put down in cash, only a 97% mortgage guarantee is necessary.
- Equity Reserve Fund is to be used as a pool for the corporation to either subsidize an incoming low income tenants down payment or to buy out an outgoing members unit in the event he can not find

a suitable buyer. The fund shall be ½% of mortgage for the 213 program to try to keep the down payment level as low as possible, and 1% for the 221(d)(3) program. Regular payments to the equity fund of perhaps ½% of the mortgage a year could be worked out for constantly replenishing the reserve pool.

-MIP is the Mortgage Insurance Premium which is a monthly charge to HUD for debt service on the program. MIP equals .005% of the mortgage paid yearly.

-Rent rates and estimated income ranges are all market rates.

Section 202 of the Housing Act of 1959 provides direct federal loans to non-profit and limited dividend sponsors of Housing for the elderly and handicapped. Funds are allocated to field offices on a fair share basis in the same way that other subsidized housing funds are distributed. Congress and HUD have made the committment to provide Section 8 subsidies for all Section 202 units.

Section 8 is a HUD rent subsidy program where an eligible family will not pay more than 25 percent of its income for rent. The difference between this 25 percent of income and the fair market rent for the apartment is the amount of the subsidy. This subsidy increases to meet rising operating costs. In establishing the amount of the assistance for the project, the maximum subsidy is set at gross rent required for the units in the project. The payments made by the tenants reduce the amount of subsidy and establish a reserve to be called upon when increases in operating costs or decreases in family income resulting in lower payments from tenants reuire a larger subsidy. The maximum income rates for both 202 and Section 8 programs are the same. They are as follows:

1 person	$10,100	5 persons	$15,300
2 persons	11,500	6 persons	16,200
3 persons	12,950	7 persons	17,100
4 persons	14,400	8 persons	18,000

Regulations now say that the projects which meet the requirements for Section 202 "Shall be deemed to have met" the Section 8 requirements as well. This should alleviate the problem of having Section 8 funds unused waiting for Section 202 proposals to come in.

Certain requirements are shared by all tenants of Section 202 housing developments. They must be either:

(a) Families of two or more members, the head of which (or his or her spouse) is 62 years of age or older, or is handicapped;

(b) The surviving member or members of a family described in (a) living in a unit assisted under 202 with the deceased member of the family at the time of his or her death;

(c) A single person who is 62 or older;

(d) A handicapped person between 18 and 62;

(e) Two or more elderly or handicapped persons living together, or one or more such persons living with another person who is determined by HUD based on a physician's certification, to be essential to the care or well-being of the elderly or handicapped persons.

The project must be designed in accordance with HUD Guidelines for elderly or handicapped persons. It must be able to accommodate a range of services for the occupants including:

(a) Health Services

(b) Continuing Education

(c) Welfare, Informational, Recreational, Homemaker, Counseling, and Referral Services.

(d) Transportation to and from social services.

The total amount of the loan approved under Section 202 shall not exceed the lesser of; [15]

(a) The total development cost of the project as determined by the HUD Field Office;

(b) An amount which has a debt service of no more than 95 percent of the anticipated net project income; or

(c) The sum of (1) The cost of exterior land improvements

(2) The cost of improvements of non dwelling spaces

The following amounts per unit for dwelling spaces

	Non Elevator	Elevator
0-BR	26600	32550
1-BR	30100	37350
2-BR	35000	46200

In high cost areas (Alaska, Guam and Hawaii) these per unit limits increase up to 50% by order of the assistant secretary for housing. As with the other HUD programs, the high cost ratio in Boston is 1.4.

Special conditions exist with rehabilition projects.[16]

(a) For property held by the borrower in fee simple, the maximum loan amount will be 100% of the cost of rehabilitation.

(b) For property subject to an existing mortgage, the limit will be the cost of the rehabilitation plus a portion of the outstanding debt which does not exceed the fair market value of the property prior to rehabilitation.

(c) For property to be acquired and rehabilited through Section 202 financing, the loan will be limited to the cost of rehabilitation plus a portion of the purchase price which does not exceed the fair market value prior to rehabilitation.

Section 202 loans are limited to 40 years with an interest rate that will be the average interest rate on all interest bearing U.S. Government obligations.

Section 202 of the National Housing Act provides long-term direct loans to eligible, private, non-profit sponsors to finance rental or cooperative housing facilities for elderly or handicapped persons (see chapter 7). Included with this Section 202 is a funding authority under Section 8 to assure a subsidy for units occuppied by eligible elderly or handicapped persons, if the project meets Section 8 criteria. The combination of the two is what is needed to produce subsidized rental projects today; a source of funds for construction with permanent financing without payment of points and the linkage with a subsidy for a portion of the rents, thus permitting low income elderly and handicapped to reside in these projects.

One housing type suited especially for the elderly that would work very nicely with a cooperative type of ownership is congregate housing. Shared living spaces, the concept of congregate housing, is directly parallel to the concept of shared ownership and management. A group home is one type of living style acceptable to a 202 loan. Congregate living is one type of group home.

The first National Conference on congregate housing for older people conducted by the International Center For Social Gerentology defines congregate housing as "... an assisted independent group living environment that offers the elderly who are functionally impaired or socially deprived, but otherwise in good health, the residential accommodations and supporting services they need to maintain or return to a semi-independent life style and prevent premature or unnecessary institutionalization as they grow older.*

In Massachusetts this program is eligible to any person 65 years (in some special cases, 62) or over who has a functional imparment or is socially isolated and is not capable of leading an independent life, yet does not require constant supervision or institutionalization. The financial requirements are limited to no more than $6,000 icome yearly for single residents and $6,300 for couples. Their total assets should not exceed 1½ times their income or $10,000 which ever is greater. Clearly this program is set exclusively for low income people.

Congregate housing is a form of communal living. One big family sharing expenses and experiences. This form of living contains at least 2 of the following:

1) Shared accessible community space

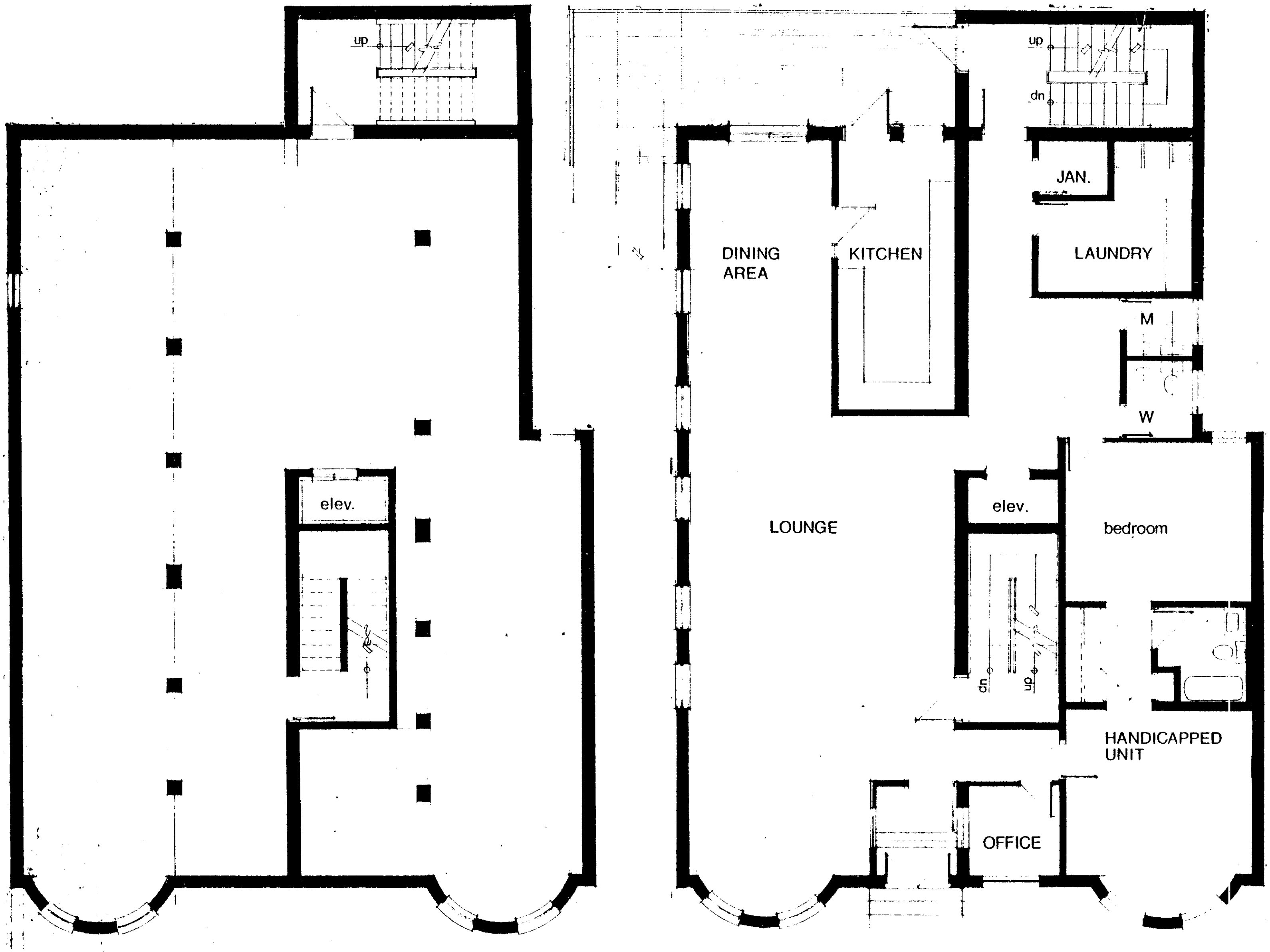
2) Shared kitchen facility

3) Shared dining facility

4) Shared bathing facility

Each resident has a private sleeping space. There are larger private sleeping quarters for couples. A congregate house is not a nursing home or medical facility and it does not offer continuous supervision of residents. The support services merely aid residents in managing daily activities and maintaining or returning to an independent or semi-independent life style. Some of the support services include personal care, transportation, meals and housemaking chores.

Following is a prototypical design for a congregate house.



basement

first

FIG. 15 congregate scheme


up
dn
RESIDENT MANAGER'S APARTMENT
STUDIO
STUDIO
elev.
bedroom
LOUNGE
TWO BEDROOM SUITE
bedroom
second
dn
TWO BEDROOM SUITE
bedroom
bedroom
STUDIO
STUDIO
elev.
STUDIO
LOUNGE
STUDIO
third

FIG. 16

This congregate residential living facility is proposed to accomodate eleven (11) elderly residents and one(1) resident manager.

This collective elderly housing effort will offer shared eating and social facilities with private sleeping and bathing facilities for each resident. There will be a unit with space requirements suitable for a handicapped person. This unit shall be located on the first floor and shall have an appropriate ramp for easy access by a wheel-chair user.

The basement shall be used for storage, maintenance and mechanical facilities. The primary communal spaces shall be on the first floor. These include kitchen, laundry, office, public toilets and dining area opening to a patio. The communal concept of space is repeated at the second and third floors by incorporating mini lounges with kitchenettes for a late cup of tea.

This congregate living facility will therefore offer the residents varying opportunities to make and maintain aquaintences of similar experiences. A resident manager who will be available to offer assistance to any of the elderly will also live in the building.

The benefits experienced by the elderly resident includes sharing living costs, increase security, medical benefits and pleasant interaction with other elderly people of similar experiences.

The proposed residential mix is as follows:

Six (6)	Studio Aparements	= 6 residents
One (1)	One Bedroom Apartment	= 1 resident
Two (2)	Two Bedroom Apartments	= 4 residents
One (1)	Resident Manager	= resident manager
Total Residents		= 11 Elderly + 1 Resident Manager

Found in Appendix E are the analyzed development costs for 14 unites of elderly congregate style living. The previous prototypical layout may be designed into the Dartmouth Street buildings. Dartmouth Street has four floors which call for 14 elderly units and 1 resident manager. The 14 residents absorb the cost of development for the resident manager. These 14 units are developed under the 202 direct loan program. In this study the remaining 90 units are developed in both programs. First by the 221(d)(3) program and then by the 213 program. It is also studies for MHFA.

The assumptions for the 14 units under the 201 program in this economic study shall follow the guidelines of the 221(d)(3) program. The 221(d)(3) and the 213 both retain their individual characteristics, as well as MHFA.

Another option open to TDC for funding for its cooperative development is the Mass Housing Finance Agency (MHFA). It is an independent state agency designed to finance the building or the rehabilitation of housing which is especially cited to be available for low and moderate rentals for low income households. There has to be a minimum of 25% of the units financed by the Agency set aside for low-income. They insists on an active minority and majority recruitment program to insure a substantial degree of racial intergration. The agency makes both construction (short term) and permanent (long term) loans from money it raises through the sale of tax exempt bonds to private investors. The loans the Agency issue are rated at ½% higher than the interest rate it issued when selling the bonds. This is set up for administrative purposes. Loans are often restricted to 90% of the development cost but may increase to 100%, if the mortgager is a non profit organization as in the case of TDC.

The process that TDC along with any other organization applying has to go through is as follows:

Phase I -<u>The Preliminary Submissions</u> phase includes the initial interview of the developer and his overall concept is more responsibility to the resident through cooperative development. The review of the required documentation, site inspection and acceptability of the scattered site is determined. Also important is the capability of TDC, and the suitability of the proposed concept of size and unit distribution.

Phase II -If the site, development team and development concept are approved, the Executive Director invites an application for mortgage financing. This is now the Application phase. In this phase, TDC works very closely with the Agency staff to give TDC the best chance available to receive the loan.

Phase III -The Closing phase is when TDC is in intense communication with its Architects, Lawyers and other professionals needed to carry out the development.

Phase IV -The Construction phase includes site visits by MHFA staff to insure the authenticity of the plans, specifications and to be sure TDC is abiding by the Equal Opportunity agreement.

Phase V -Rent up and Occupancy occurs usually at the end of the construction process where suitable tenants are found. In the case of TDC's cooperative, it might be that a corporation of residents is formed earlier in the process.

Phase VI -Post Occupancy continues during the life of the mortgage with MHFA acting in partnership with TDC to supervise tasks such as review of rent-increase proposals and monitoring financial statements. and monitoring financial statements.

Section 8 is now the primary subsidy source for MHFA. It is implemented through housing assistance payments betwen HUD, MFHA and the developer (TDC). MHFA receives payments form HUD by order of an annual contract and in turn issues payments to the developer (TDC) by order of a housing assistance contract. The developer (TDC) in turn issued Section 8 payments in the form of housing assistance or subsities to its residents. 40 years is maximum number of years for Section 8 subsidy on any one mortgage.

Found in Appendix F are analyzed development costs for 105 units of MHFA funded units.

The preceding section describes Cooperative Housing, and the individual guidelines of the four programs available for its funding. The tables and explanations that follow in this chapter:

1 Give income groupings of all families in the South End as of the 1970 census report.

2, Compare costs and mortgages to Rents, Down payments and Income Requirements by unit size for all programs,

	All Families		White		Chinese et al		Blacks		Spanish Speaking	
Under $5,000	1574	40%	284	24%	226	37%	851	47%	213	62%
$5,000-$10,000	1376	35%	368	31%	231	38%	665	36%	112	33%
$10,000 plus	1002	25%	534	45%	148	25%	303	17%	17	5%
Total	3952		1186		605		1819		342	
Median income	$6,464		$9,212		$6,666		$5,312		$4,038	

Source: U.S. Census; 4th Count

In observing the column under all families we find that 75% of the households in the South End, have yearly incomes of less than $10,000 which makes them eligible for Section 8 subsidies (see Chapter on Section 202).

Note: This table is taken from the 1970 census. Inflation rates resulting in cost of living pay increases have to be considered in determining income levels for 1979.

		Cost	Mortgage	Down payment	Monthly Payments	Income Requirements
221(d)(3)/202	Efficiency	19260	19067	283	303	13500-15500
	1 BR	27210	26937	543	370	16700-18700
	2 BR	27910	27630	556	376	17000-19000
	3 BR	35460	35105	706	440	20000-22000
	4 BR	48060	47579	957	545	25200-27200
213	Efficiency	19260	18682	676	299	13300-15300
	1 BR	27210	16393	953	336	16500-18500
	2 BR	27910	27072	973	371	16800-18800
	3 BR	35460	34396	1235	433	19700-21700
	4 Br	48060	46618	1675	539	24800-26800
MHFA	Efficiency	19260	19067	283	286	12700-14700
	1 BR	27210	26937	543	342	15400-17400
	2 BR	27910	27630	556	345	15500-17500
	3 BR	35460	35105	706	424	19300-21300
	4 BR	48060	47579	957	506	23200-25200
202	Studio	11195	11083	222	151	6200- 8200
	1 BR	18695	18508	372	214	9500-11500
	2 BR	19945	19745	397	226	9800-11800
	3 BR					
	4 BR					

Comparison table #1 demonstrates similarities and differences of unit characteristics in each of the four cooperative assistance programs. What is compared in each program is the cost, mortgage amount, down payment, monthly payments and income requirements. The Section 202 guidelines for 105 units are identical to those of 221(d)(3). A section 202 program is described in the table for the fourteen elderly units of the congregate scheme. It should be noted that costs are less because units are much smaller than typical apartments.

The cost for the four programs and their individual units are identical since constructions and land costs are treated here as a constant. Mortgages vary because of guidelines specific to each program. Mortgage rates for the 221(d)(3), 202 and MHFA programs are set at 100% of FHA estimated cost minus 1% mandatory down payment fee or 99% on all cooperative units financed under these programs: Mortgage rates for the 213 program are set at 98% of FHA estimated costs minus the 1% mandatory down payment fee or 97%.

Down payment is determined by the balance of the original costs minus the mortgage, plus 1% of mortgage cost set aside for the equity reserve fund for the 221(d)(3), 202 and MHFA programs. Only ½% of the mortgage is set aside in the 213 program. The difference in the percentage rate is due to the difference in the balance. The balance in the 100% mortgage programs is equal to 1% of the original cost while the balance in the 98% mortgage program (the 213) is equal to 3% of the original cost. ½% instead of 1% will help keep the down payment lower while still contributing to the equity reserve fund.

Monthly payments are determined by principal and interest payments necessary to amortize the mortgage plus a percentage of the expenses of the entire project. All HUD programs carry a current interest rate on all mortgages of 40 years at 9½%. All HUD programs also carry a mortgage interest premium (MIP) which is a service charge to HUD equalling .005% of the mortgage paid yearly. Each month 1/12 of the MIP for the year is paid. MHFA's interest rates vary depending upon the rate at which the bonds were sold. The trend recently in interest rates has been for MHFA to issue mortgages at 8.4% but for the purpose of this demonstration, 8.5% is used.

Income requirements are simply a guestamation of what a household should be earning to pay the monthly payments with little difficulty. A range of two thousand dollars is used. One thousand dollars more or less than the estimated income.

A brief summary of the table and the four major programs described show evidence of even costs all across the board. Mortgages for the 213 program are less by 2%, but at the same time the down payments are higher by 2%. The monthly rents of the 221(d)(3) and 202 program are higher than the 213 program because of the 100% mortgage and the interest rate of 9½%. The 213 program has a 98% mortgage, meaning less money to be repaid at the same 9½% interest rate. MHFA has the lowest monthly rents of the four programs. A 100% mortgage with an interest rate of 8½% on the 40 year mortgage is the reason, and makes this program the most appealing of the four. Appealing to TDC because of the 100% mortgage and appealing to the tenant because of the lower rent levels.

10 Conclusions

The Tenants Development Corporation was the first tenant management organization to receive a grant from HUD to develop low and moderate income housing. Over the years, TDC has made tremendous steps in housing development. It has thus far developed 56 buildings and are in the process of developing another 21. TDC has demonstrated certain basic conditions in the past that have made the organization flourish. These conditions must persist for sustained efficiency. Some of these conditions include:

1. <u>Assistance from Experienced Professionals</u>

   TDC should enlist the aid of legal, accounting and cooperative development consulting services.

2. <u>Tenant Interest and Leadership</u>

   The tenants in these buildings should act as initiators and leaders. Each building should be organized and tenant participation should be made mandatory. Boston and the South End in particular is a difficult place in which to adjust. Living conditions are dense and without the support and active participation of each resident to protect his own investment in a collective effort, the success of the cooperative will be in question.

3. <u>Good Management</u>

   A resident Board of Directors should be chosen for making critical governing decisions concerning the cooperative. The existing TDC staff should handle day to day management problems and operative responsibilities.

4. <u>Adequate Initial Financing and Realistic Annual Budget</u>

TDC must from the onset secure adequate initial financing to cover repairs, working capital and conversion costs. Annual budget projections incorporating inflation rates must be made to avoid a future financial crisis.

At the present time, TDC is into negotiations with the BRA for the twenty-one (21) apartment buildings and the four (4) commercial spaces as well as the buildings in tax title. If all goes as scheduled, TDC should close on the 21 buildings this summer. The tax title buildings will probably take longer since it is uncertain how far into the foreclosure process each building is at present. These tax title buildings might go into another development package (TDC IV).

As the state of the economy fluctuates, federal money in rent subsidies and mortgage insurance is now more scarce than ever for rental developments. A cooperative development for TDC could be more feasible at the present time. It would bring Federal dollars to the corporation and would provide a chance for homeownership equity build-up and a sense of pride for the tenants.

The equity fund and how it relates to the disadvantages of a cooperative is a problem that has to be worked out to insure a smooth running operation. One source of equity build up is outlined in the Chapter on the 213 and 221(d)(3) programs. By requesting a certain percentage of the mortgage to accompany the down payment, and by arranging monthly, bimonthly or quarterly equity fund charges, an adequate equity reserve fund may be formed. Another source may come from tax-exempt donations from supporters of TDC. Either way, an equity reserve fund or some other type of financial assurance fund has to be incorporated into the cooperative.

The various options that I have put together in this study can serve as data for TDC and for any other non-profit organization with similar cooperative ambitions. The government programs outlined are current but should by no means be viewed as the only options for cooperative development.

Commercial banking without government intervention is always a source of funds even though it is difficult to locate mortgages the size of three million dollars for low income development in Boston. Interest rates on these commercial loans would also be higher than those on government subsidies and mortgage insurance programs. The ceiling interest rates on these government programs is set at 9½%. This in turn keeps the Section 8 limit lower. A higher interest rate of perhaps 10½% makes TDC's monthly mortgage payments higher. This makes monthly rents or carrying charges to the tenant higher. In the case of a Section 8 tenant, the amount of subsidy money would be greater, costing the government more money in Section 8 reserves (See chapter on Section 202).

As is seen in the 1970 census for the South End, 75% of all families have income of below $10,000 and could not afford to pay market rate rents (See Summary). Therefore it is evident that whichever mortgage program is decided upon, Section 213, Section 221 (d)(3), MFHA or conventional loans, TDC III would have to carry or "piggyback" a Section 8 rental subsidy with it.

TDC would like to get 100% subsidy on this project to get more homes for poor people,but because of the political atmosphere in the South End, and the fact that the BRA along with some other influential people think there are too many poor people, a compromise of 75% subsidy has been accepted by the TDC office, 25% very low (people eligible for public housing), 50% low (people not eligible for public housing but eligible for Section 8), and 25% market rate. This seems to be feasible in light of the fact that 75% of the people of the South End have income below $10,000 and are eligible for Section 8.

In studying the rent structure and because of the nature of TDC's waiting list which consists mostly of families in need of larger apartments, it can be assumed that TDC should place some of its smaller units, efficiencies, 1 and possibly 2 bedroom apartments at market rate. This seems feasible because most whites living in or moving into the South End do not have children.[18]

Recommendations

After compilling and accessing all preceding information, my recommendations to the TDC staff are as follows:

A Multi Family - 100% Subsidy

This is the option that I recommend most strongly to TDC for fulfillment of its objectives. However, it can not be implemented unless total Section 8 can be secured. Any of the mortgage subsidy programs, 221(d)(3), 213 or MHFA, or any combination can be implemented depending upon which is most available. The MHFA program would be most favorable because of its lower interest rates. Realistically this portion is unlikely because of the current political atmosphere in Boston and more specifically in the South End. With the BRA believing there are now too many poor people in the South End and becoming more and more eager for market rate renters to come into the area, it is unlikely that they would turn over the 21 buildings or that the Mayor's office will allocate 100% Section 8 to TDC for low income housing.

B Multi Family - 87%, Elderly 13%

This option represents a mix and in my opinion seems to be the most likely. This scheme could be used if some Section 8 subsidy money is secured but not enough for 100% subsidy. The congregate scheme is for 13% elderly units which comes with designated Section 8 subsidy. The 87% multi-family would be partially subsidized for the low and very low renters (25 and 50% of the 87% multi-family). The 13% elderly would be serviced by the section 202 program and the 87% multi-family would be serviced by either the 221(d)(3), 213 or MHFA program or any combination of the three. This scheme would be more likely acceptable to the BRA because it allows for 25% market rate renters in all family units.

One problem that has yet to be addressed is whether or not a mix of very low low and market rate renters would work. Further study should be done in this area, prior to implementation.

C <u>Elderly 100%</u>

If in the event no Section 8 subsidy can be secured the practical solution would be to go with a 100% 202 program. This program comes automatically with Section 8 subsidy. Once again the BRA would probalby frown on this approach as it allows too many poor people into the area. This approach is unlikely also because of the fact that the number of elderly people in the South End is declining (Sepac Report 1975) and also because TDC is inexperienced in elderly housing. A compromise of this program would be for TDC develop only a few buildings with this 202 money and hopefully new subsidy options will arise in the future. 10.8

A ARTICLES OF ORGANIZATION

B MEMORANDUM OF UNDERSTANDING

C SELECTED BUILDINGS

D FINANCIAL ANALYSIS 213, 221(d)(3)/105

E FINANCIAL ANALYSIS 202/14 units, 213, 221(d)(3) and MHFA/90 units

F FINANCIAL ANALYSIS MFHA/105 units

G PROGRAM COMPARISON TABLES

H SOUTH END INCOMES

Appendix

IV - I

JOHN F. X. DAVOREN
Secretary of the Commonwealth
STATE HOUSE
BOSTON, MASS.

ARTICLES OF ORGANIZATION
Under G. L. Chapter 180

We, Marion Dawson , President Mary Longley , Treasurer, Ethelbert Griffith , Clerk or Secretary, and Leon Williams and Juanda Drumgold

being a majority of the directors (or officers having the power of directors)

of Tenants Development Corporation

elected at its first meeting, in compliance with the requirements of General Laws, Chapter 180, Section 3, hereby certify that the following is a true copy of the agreement of association to form said corporation, with the names of the subscribers thereto:

We, whose names are hereto subscribed, do, by this agreement, associate ourselves with the intention of forming a corporation under the provisions of General Laws, Chapter 180.

The name by which the corporation shall be known is

Tenants Development Corporation

The location of the principal office of the corporation in Massachusetts is to be the Town or City of Boston Street 127 West Concord Street

The purposes for which the corporation is formed are as follows:

In addition to all powers granted by the General Laws to corporations of this character, the corporation shall have power and the purposes of the corporation shall be to acquire, improve (through rehabilitation, new construction or otherwise) and make available at the lowest possible cost on a non-profit basis to persons and families with low and moderate income of every race, religion, and nationality, housing in the area known as the South End of Boston (which has been designated as an urban renewal project area by the Boston Redevelopment Authority) and to stimulate by example or otherwise the renovation and improvement of properties in the South End of Boston, and to promote neighborhood improvement in the South End of Boston.

The purposes of this corporation shall be solely educational and charitable and no part of the net earnings thereof shall inure to the benefit of any private individual. No part of the activities of this corporation shall consist of the carrying on of propaganda or otherwise attempting to influence legislation or intervention in any political campaign. In the event of dissolution, the corporation's property shall be applied to charitable purposes in accordance with the doctrine of cy pres in all respects as a court having jurisdiction in the premises may direct.

(Continued on Page 1A)

... additions should be set out on continuation sheets which

		Actual place of ...	HOME OR BUSINESS
President	Marion Dawson	Boston Mass.	692 Massachusetts Avenu
Treasurer	Mary Longley	Boston Mass.	498 Columbus Avenue
Clerk / Secretary	Ethelbert Griffith	Boston Mass.	569 Massachusetts Avenu

Directors (or officers having the power of directors)

Lawrence Roberson	Boston, Mass.	508 Massachusetts Avenu
Carolyn Williams	Boston, Mass.	48 Rutland Street
Mary Longley	Boston, Mass.	498 Columbus Avenue
Marion Dawson	Boston, Mass.	692 Massachusetts Avenu
Ethelbert Griffith	Boston, Mass.	569 Massachusetts, Aven
Joseph Walker	Boston, Mass.	692 Massachusetts Avenu
Willie Lee Powell	Boston, Mass.	55 Rutland Avenue
Leon Williams	Boston, Mass.	48 Rutland Street
Juanda Drumgold	Boston, Mass.	2 Greenwich Court

We, being a majority of the directors of Tenants Development Corporation (Name of Corporation)

do hereby certify that the provisions of sections eight and nine of Chapter 156 relative to the calling and holding of the first meeting of the corporation, and the election of a temporary clerk, the adoption of by-laws and the election of officers have been complied with.

IN WITNESS WHEREOF AND UNDER THE PENALTIES OF PERJURY, we hereto sign our names, this 15 day of August , 1969 .

(President, Treasurer, Clerk or Secretary, and majority of Directors or of Board, sign in space below.)

Marion Dawson
President and Director
Mary Longley Treasurer and Director
Ethelbert Griffith Clerk & Director
Leon Williams Director
Juanda Drumgold - Director

appendix a

MEMORANDUM OF UNDERSTANDI BETWEEN THE BOSTON REDEVELOPMENT AUTHORITY
SOUTH END COMMUNITY DEVELOPMENT CORP AND SOUTH END TENANTS COUNCIL

AGREEMENT, made this 4th day of September 197_ by and between the South End Tenants Council, Inc. (SETC), the South End Community Development, Inc. (SECD), and the Boston Redevelopment Authority (Authority).

In consideration of the mutual agreements and covenants herein contained, the Parties hereby agree to cooperate with and consult each other in all phases of the Rehabilitation of Properties in the Six Block Area generally bounded by Tremont Street, West Newton Street, Shawmut Avenue and Northampton Street.

It is agreed by all Parties that the responsibility of the SETC for community organization, property management and ownership will be generally limited to the Six Block area.

It is understood by all Parties that whereas it is the intention of SETC to become the development corporation, SETC hereafter called the Redeveloper and hereafter be referred to as the Redeveloper, and whereas it is the Redeveloper's intent to contract for development services with SECD, hereafter referred to as the Packager, and whereas the Authority has purchased thirty-four (34) buildings in the general Six Block area, and intends to work towards the rehabilitation of a first package of approximately twenty (20) of these through a FHA Program under this agreement, it is agreed by all Parties that if the Redeveloper:

1. is found to be an acceptable owner/mortgager by the FHA and the mortgagee,

2. demonstrates the ability to obtain necessary financing

the Authority is then prepared to dispose of such first package of these properties to accomplish the initial phase of the rehabilitation program. The Authority further agrees to sell these properties to the Redeveloper under a disposition agreement, it being understood that the Redeveloper will engage SECD to be the Packager for the redevelopment of such first package of these properties.

The Authority also intends to purchase and sell to the Redeveloper up to one hundred (100) properties for redevelopment for low-income persons if these properties are offered by owners, but the Redeveloper shall not be bound to engage SECD as a Packager. It is further understood that the Authority shall retain the right to approve the selection of any subsequent packager.

VI. Training

The Redeveloper will be responsible for obtaining individuals for the project who will become familiar with FHA housing development and who will be familiar with all major business and financing negotiations connected with the project. The Redeveloper will further be responsible for providing individuals for management and maintenance.

The Parties, hereto, agree that the Redeveloper may form a non-profit corporation and may assign its rights and responsibilities under this agreement to such corporation. It is further understood that the majority of the members of this non-profit corporation will be residents of the Six Block area.

IN WITNESS WHEREOF, each of the Parties has caused this AGREEMENT to be executed on its behalf, be a duly authorized officer, on the day and year first above set forth.

ATTEST:

BOSTON REDEVELOPMENT AUTHORITY

BY ____________ Director

SOUTH END COMMUNITY DEVELOPMENT, INC.

BY ____________

SOUTH END TENANTS' COUNCIL, INC.

BY ____________

Approved as to Form:

General Consel

appendix b

395 Massachusetts Avenue

A 3 story row house facing east on Massachusetts Avenue which is located two buildings south of the proposed MBTA orange line. The building seems to be in fair condition. Some minor structural work may have to be done in shoring up the load bearing wall in the basement. The stairs lean a little from the party wall. A new roof is needed because there are holes in the present one not to mention a broken skylight. Because of these holes water damage has occured on the top two floors. Warping of floors and disintegration of walls is prevalent. There is some settling in the rear foundation and consequently some bricks have fallen out. A similar situation exists on the front exterior wall but to a lesser degree.

There is an old forced hot air heating system located in the basement that has been partially vandalized. The building is suitable for three two bedroom apartments with some storage space in the basement. Duplexes are also possible here. This building is close to other TDC units.

The time table for the MBTA orange line is very important. 393 Massachusetts Avenue is to be demolished and the facing wall of 395 Massachusetts Avenue might be used for Massachusetts Avenue station. The building has been designated to United Development Corporation and has been held for approximately five years with no action being taken. Plans now in affect include checking with Massachusetts Housing Finance Agency to determine if UDC has applied for money. If they have not done so or made any other attempts to locate development money TDC will apply for funding and the BRA will tentatively issue a letter to UDC to rescind its designation.

FEASIBILITY OF REHAB.

Building Address 395 MASS. AVE.

Present Use of Building RESIDENTIAL - VACANT

What is Overall Building Condition? ______

Good ______
Fair ✓
Poor ______

Number of Floors 3

Is the Neighborhood conduscive for conversion to residential units

Yes ✓
No ______

Is There Open Space

Front NONE Sq. Ft.
Rear 150 Sq. Ft.

No. of doors 2

Location(s) FRONT & REAR

STRUCTURAL CONDITIONS

Facade	GOOD	Roof	FAIR
Windows	GOOD	Gutters	POOR
Stairs	POOR	Foundation	FAIR
Ceilings	POOR	Plumbing	NONE
Floors	POOR	Electrical	NONE
Walls	POOR	Basement	DRY

BUILDING SUITABLE FOR 3-4 AMOUT OF UNITS

UNITS SUITABLE FOR 1-2 AMOUT OF BEDROOMS

BALLPARK FIGURE FOR REHAB OF BUILDING $90,000

REMARKS:

SETTLING IN REAR BRICK
SKYLIGHT BROKEN
WATER DAMAGE
BRICKS MISSING
HOLES IN ROOF
STAIRS WEAK

397 Massachusetts Avenue

397 Massachusetts Avenue is the sister building to 395 facing east. A 3-story row house abandoned for approximately five years, has similar conditions to 397. A new roof is needed, causing water damage to both floors and walls. Minor structural work should be done to the mid span load bearing partition. This is causing the winder stair to slope from the party wall. Simple exterior cosmetic work needs to be done. Replacing some brick and repointing others. The heating system here is forced steam but many of the radiators have been stolen. The basement here as in 395 is fairly dry and seemingly habitable. Once again we find it possible to get either 2 bedroom apartments or duplexes or a combination into thsi building. 397 is a good prospect close to other TDC properties.

FEASIBILITY OF REHAB.

Building Address 397 MASS. AVE.

Present Use of Building RESIDENTIAL - VACANT

What is Overall Building Condition?

Good
Fair ✓
Poor

Number of Floors 3

Is the Neighborhood conduscive for conversion to residential units

Yes ✓
No

Is There Open Space

Front NONE Sq. Ft.
Rear 150 Sq. Ft.

No. of doors 2

Location(s) FRONT & REAR

STRUCTURAL CONDITIONS

Facade	GOOD	Roof	FAIR
Windows	GOOD	Gutters	POOR
Stairs	FAIR	Foundation	FAIR
Ceilings	FAIR	Plumbing	HOT WATER
Floors	FAIR	Electrical	NONE
Walls	FAIR	Basement	DRY

BUILDING SUITABLE FOR 3 - 4 AMOUT OF UNITS

UNITS SUITABLE FOR 1-3 AMOUT OF BEDROOMS

BALLPARK FIGURE FOR REHAB OF BUILDING $90,000

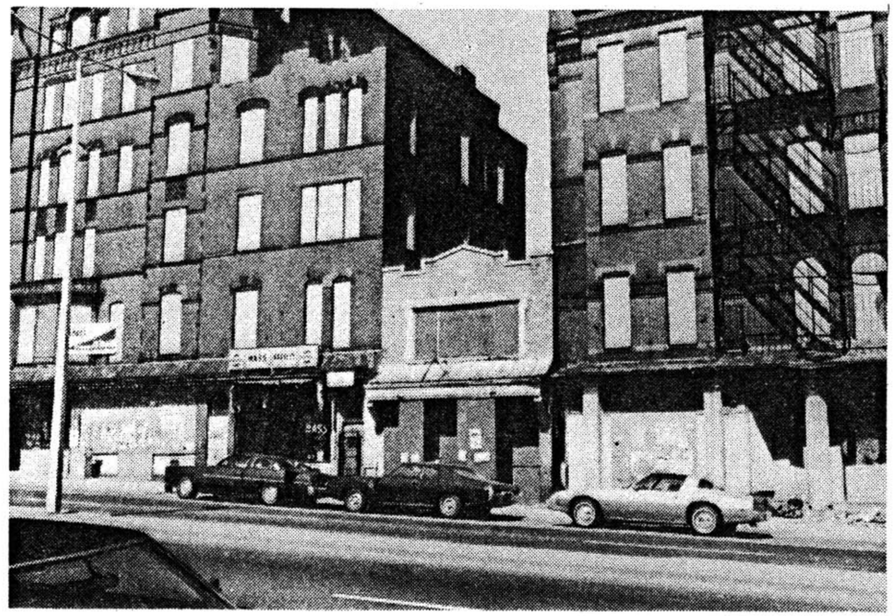
REMARKS:

HOLES IN ROOF
WATER DAMAGE
STAIRS WEAK

402 Massachusetts Avenue

402 Massachusetts Avenue faces east and is in good condition. It is a 2-story building with a commercial space on the first level and a small one bedroom apartment on the second. It appears that the building was not vacant for too long. There is practically no major damage on the top floor. Windows, floors, walls and ceilings are all in good condition. Wood trim on door frames are intact as floor tile in toilet area. The discarded furniture on the first level seemed to indicate a beauty shop of some kind. All plumbing fixtures have been removed. Structurally the building is sound. The basement is a large open space with poured concrete floor and seemingly dry. The developer for the building is Higgonbottom, Farron, and Costa, (HFC), but TDC is hopeful to have their designation rescinded. This is a good location, near other TDC buildings and could either be used for 2-two bedroom units, one duplex or a one bedroom above a commercial space.

FEASIBILITY OF REHAB.



Building Address 402 MASS. AVE.

Present Use of Building COMMERCIAL – VACANT

What is Overall Building Condition?

Good
Fair ✓
Poor

Number of Floors 2

Is the Neighborhood conduscive for conversion to residential units

Yes ✓
No

Is There Open Space

Front NONE Sq. Ft.
Rear NONE (ALLEY) Ft.

No. of doors 5

Location(s) 3 FRONT; 2 REAR

STRUCTURAL CONDITIONS

Facade	GOOD	Roof	FAIR
Windows	GOOD	Gutters	FAIR
Stairs	GOOD	Foundation	FAIR
Ceilings	GOOD	Plumbing	NONE
Floors	GOOD	Electrical	NONE
Walls	GOOD	Basement	

BUILDING SUITABLE FOR 1–2 AMOUT OF UNITS

UNITS SUITABLE FOR 2.-4 AMOUT OF BEDROOMS

BALLPARK FIGURE FOR REHAB OF BUILDING $50,000

REMARKS:

OLD BEAUTY PARLOR
SMALL 1 BR APT. UPSTAIRS

404-408 Massachusetts Avenue

404-408 Massachusetts Avenue is a large apartment building facing west and appears as though it might have been a hotel at one time. There are two large commercial spaces on either side of the apartment entrance. There is a beautiful marble staircase leading to the second floor from a large entrance hallway. This building is in good structural and cosmetic condition. The floors and walls are sound. It has six floors and twenty existing one and two bedroom apartments. The plumbing fixures have been stolen. The building facade is in good condition, but brick could use simple pointing. The basement is an extremely large open space. There seemed to be a broken water pipe of some kind as there were standing pools of water near the back door. HFC is the designated developer and it is hoped that TDC can acquire this building and either rehabilitate the twenty existing one and two bedroom apartments or create twelve large apartments for larger families. The commercial spaces are large enough to serve as meeting halls or possible in conjunction with the United South End Settlements as useful commercial areas.

FEASIBILITY OF REHAB.

Building Address 404 - 408 MASS. AVE.

Present Use of Building OCCUPIED COMMERCIAL / VACANT RESIDENTIAL

What is Overall Building Condition?

Good

Fair ✓

Poor

Number of Floors 6

Is the Neighborhood conduscive for conversion to residential units

Yes ✓

No

Is There Open Space

Front NONE Sq. Ft.

Rear NONE Sq. Ft.

No. of doors 3

Location(s) FRONT & REAR

STRUCTURAL CONDITIONS

Facade	FAIR	Roof	GOOD
Windows	GOOD	Gutters	GOOD
Stairs	FAIR	Foundation	FAIR
Ceilings	FAIR	Plumbing	NONE
Floors	FAIR	Electrical	NONE
Walls	FAIR	Basement	DAMP

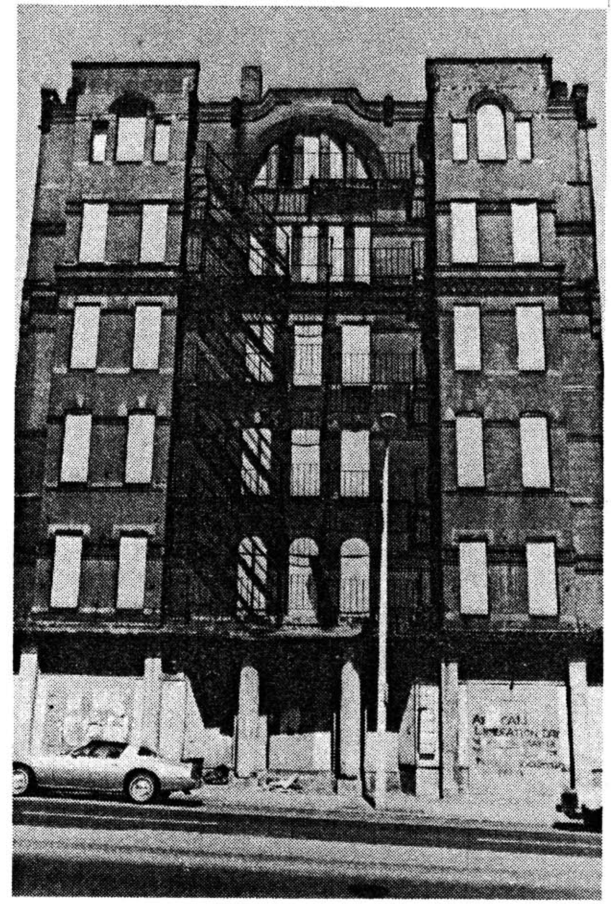
BUILDING SUITABLE FOR 20 AMOUT OF UNITS

UNITS SUITABLE FOR 1-2 AMOUT OF BEDROOMS

BALLPARK FIGURE FOR REHAB OF BUILDING $500,000

REMARKS:

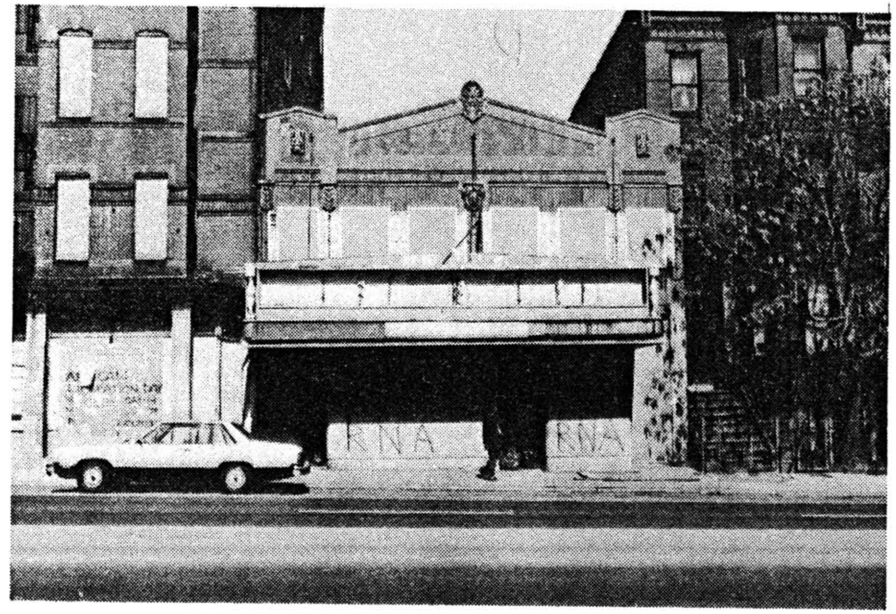
MARBLE STAIRWAY PILLARS
2 LARGE COMMERCIAL SPACES ON
FIRST FLOOR



410 Massachusetts Avenue

The former Mr. Kelly's bar downstairs, is structurally in good condition. The floor, walls and ceiling are well preserved. The building faces west and has been boarded for about five or six years. It is a good open area, and with the correct plan it could either be a meeting hall or a two three or possibly four bedroom unit. All of the plumbing fixtures have been removed as with all other Massachusetts Avenue properties. Also removed has been the furnace and all radiators so a complete new system has to be installed. The basement is a very large open and dry space now filled with empty liquor bottles. Upstairs over the bar room is another large space which was apparently used as a game room. The floor, walls and ceilings are in good condition and could stand a minimal amount of renovation. With the large space available possibly a two, three, or four bedroom apartment could be built. Again we have HFC sitting on this property with apparently unfinished plans for development.

FEASIBILITY OF REHAB.



Building Address 410 - 412 MASS. AVE.

Present Use of Building VACANT COMMERCIAL

What is Overall Building Condition? Good ___ Fair ✓ Poor ___

Number of Floors 2

Is the Neighborhood conduscive for conversion to residential units Yes ___ No ✓

Is There Open Space Front NONE Sq. Ft. Rear NONE Sq. Ft.

No. of doors 4 Location(s) FRONT & REAR

STRUCTURAL CONDITIONS

Facade	FAIR	Roof	FAIR
Windows	FAIR	Gutters	FAIR
Stairs	FAIR	Foundation	FAIR
Ceilings	FAIR	Plumbing	NONE
Floors	FAIR	Electrical	NONE
Walls	FAIR	Basement	DRY

BUILDING SUITABLE FOR 2-3 AMOUT OF UNITS

UNITS SUITABLE FOR 3-4 AMOUT OF BEDROOMS

BALLPARK FIGURE FOR REHAB OF BUILDING $75,000

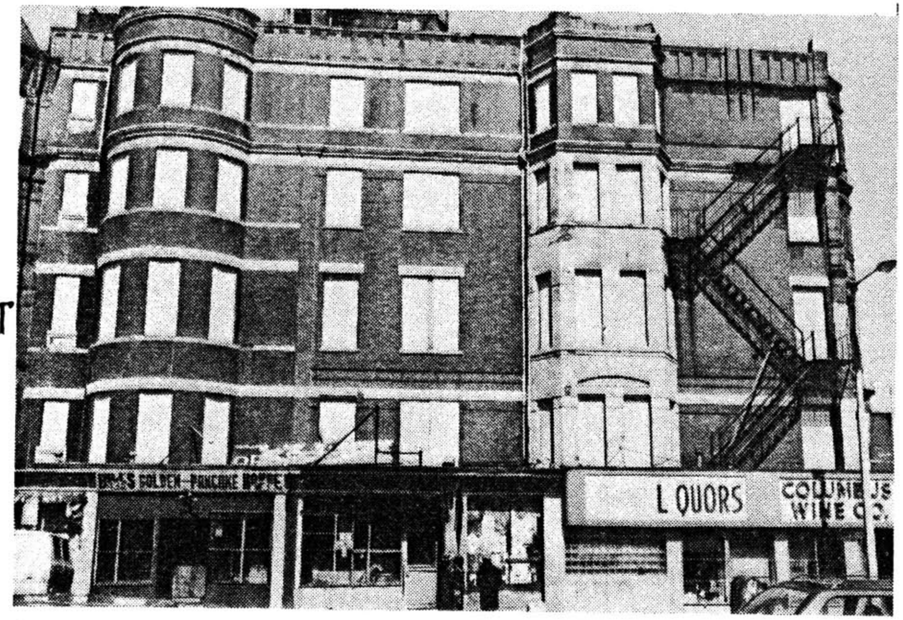
REMARKS: UPSTAIRS WALLS, CEILINGS, FLOORS IN GOOD CONDITION
LARGE OPEN SPACE
OLD BARROOM DOWNSTAIRS

426 Massachusetts Avenue

426 Massachusetts Avenue is a large five story abandoned multi-family building with existing 3 and 4 bedroom apartments that faces west. The building interior is in fair condition with a small amount of fire damage on the lower levels. The fire doesn't seem to affect the building structurally since the major beams and joists are slightly charred. The exterior, both front and rear are in good shape. Some repointing may be necessary. The roof and gutters are in fair condition. A lot of the copper flashing has been stolen by vandals. The same goes for the heating system. Many of the radiators and most of the furnace from the forced steam system is missing. The floors, ceiling and walls are in fair condition and could stand a minimal amount of rehabilitation. 426 Massachusetts Avenue, similar to the other abandoned buildings of this block, seems to have been abandoned for approximately five years. This is approximately the length of time that the developer (UDC in this case) has had designation of the property. The large apartments would be ideal for TDC families with many children. And since this exists, TDC could probably get six or eight families housed with a minimum amount of design. The only real problem

with this building as well as other on Massachusetts Avenue that can house children is that there is no outside play space. One of the commercial spaces on the first level somewhere in the block would be ideal for indoor play space.

FEASIBILITY OF REHAB.



Building Address 426 MASS. AVE.

Present Use of Building GROUND FLOOR STOREFRONT COMMERCIAL/RESIDENTIAL-VACANT

What is Overall Building Condition? Good ✓ Fair ___ Poor ___

Number of Floors 5

Is the Neighborhood conduscive for conversion to residential units Yes ✓ No ___

Is There Open Space Front NONE Sq. Ft. Rear NONE Sq. Ft.

No. of doors 4 Location(s) ___

STRUCTURAL CONDITIONS

Facade	GOOD	Roof	FAIR
Windows	GOOD	Gutters	FAIR
Stairs	GOOD	Foundation	GOOD
Ceilings	GOOD	Plumbing	NONE
Floors	GOOD	Electrical	NONE
Walls	GOOD	Basement	DRY

BUILDING SUITABLE FOR 6-10 AMOUT OF UNITS

UNITS SUITABLE FOR 0-3 AMOUT OF BEDROOMS

BALLPARK FIGURE FOR REHAB OF BUILDING $200,000

REMARKS:

GOOD POTENTIAL
FIRE DAMAGE

434 Massachusetts Avenue/575 Columbus Avenue

434 Massachusetts Avenue/575 Columbus Avenue is a westward facing building in fair condition similar to 426 Massachusetts Avenue. The interior is structurally in fair condition with sound walls and floors. There was a fire in this building also, so there was a great amount of debris strewn about. This made passage to the entire building impossible. This is one building in which I couldn't get into the basement but if it is similar to the others it has a poured concrete floor, is fairly dry and has a vandalized furnace. The exterior facades both front and rear are in good shape, only minor repointing is necessary. The roof and gutters are fair and vandalized as is expected. Radiators are mostly all stolen. There is a commercial area on the first level that houses a liquor store. This building might better be suited for studios and one bedroom apartment since it is so close to the busy intersection of Massachusetts and Columbus Avenues. This building was vacated approximately five years ago and its designated developer is UDC.

FEASIBILITY OF REHAB.

Building Address 515 COLUMBUS AVE/434 MASS

Present Use of Building COMMERCIAL/RESIDENTIAL - VACANT

What is Overall Building Condition? ____________

Good ____
Fair ✓
Poor ____

Number of Floors 5

Is the Neighborhood conduscive for conversion to residential units

Yes ✓
No ____

Is There Open Space

Front NONE Sq. Ft.
Rear NONE Sq. Ft.

No. of doors 4

Location(s) 2 FRONT; 2 REAR

STRUCTURAL CONDITIONS

Facade	FAIR	Roof	FAIR
Windows	GOOD	Gutters	POOR
Stairs		Foundation	FAIR
Ceilings		Plumbing	
Floors		Electrical	
Walls		Basement	

BUILDING SUITABLE FOR 10-12 AMOUT OF UNITS

UNITS SUITABLE FOR 1-3 AMOUT OF BEDROOMS

BALLPARK FIGURE FOR REHAB OF BUILDING $300,000

REMARKS:

32 Wellington Street

At first glance 32 Wellington Street would appear to be either a school or a hotel. It is not one of the typical South end row houses. It is much larger. The building faces east at the end of Wellington Street. It is adjacent to the proposed orange line track and directly behind the Massachusetts Avenue 400 block. Structurally the building is sound with a minor amount of brick shifting in the front exterior facade. The shifting is caused by settlement in the foundation wall. Except for this minor shift in the front brick the other three facades seem to be perfectly in tact. Minor repointing may be necessary if anything. The plumbing and heating fixtures have all been stripped but it appears that the building was once heated by a forced steam system with radiators. The floors, walls and ceilings are in good condition. It really doesn't seem that the building has been vacant for too long. The roof and gutters have been stripped of copper flashing as is typical of any abandoned building in Boston. The existing apartment layout indicate apartments with one, two and three bedrooms. Ideal for couples or small families. Once rehabilitated this building could serve TDC residents very well. Again we have the problem of no outdoor play space but with the new southwest corridor project comes a plan for a deck to cover the tracks and to allow access to play areas and green spaces on top.

FEASIBILITY OF REHAB.

Building Address 32 WELLINGTON

Present Use of Building RESIDENTIAL-VACANT

What is Overall Building Condition? Good ____ Fair ✓ Poor ____

Number of Floors 4

Is the Neighborhood conduscive for conversion to residential units Yes ✓ No ____

Is There Open Space Front NONE Sq. Ft.

Rear NONE (ALLEY) Sq. Ft.

No. of doors 5 Location(s) FRONT, BACK

STRUCTURAL CONDITIONS

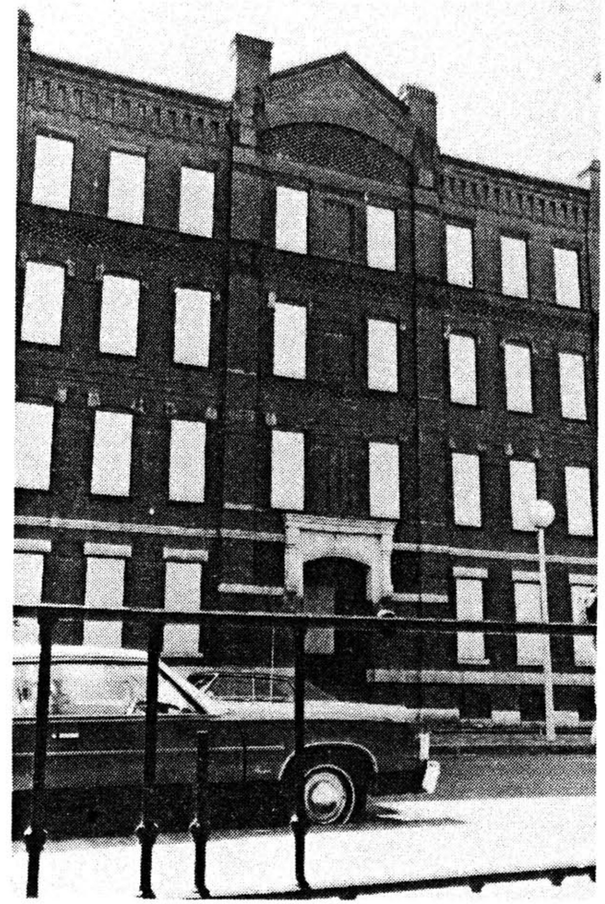
Facade	GOOD	Roof	
Windows	GOOD	Gutters	GOOD
Stairs	FAIR	Foundation	FAIR
Ceilings	GOOD	Plumbing	NONE
Floors	GOOD	Electrical	NONE
Walls	GOOD	Basement	DRY

BUILDING SUITABLE FOR 16-20 AMOUT OF UNITS

UNITS SUITABLE FOR 0-3 AMOUT OF BEDROOMS

BALLPARK FIGURE FOR REHAB OF BUILDING $500,000

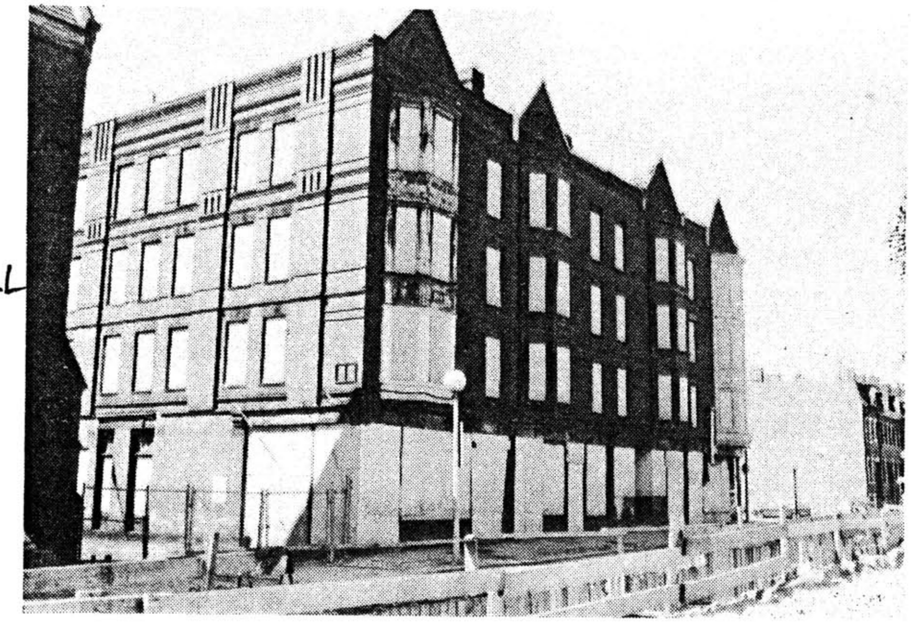
REMARKS:



<u>4-18 Clarendon Street</u>

Numbers 4-6-8-10-12-14-16 and 18 Clarendon Street is an entire block of four story abandoned brick row house buildings,facing east and located just behind the BRA Southend office. The overall condition of the building is fair with no major structural changes required. The only structural element requiring attention is the stairway in number 8 Clarendon Street as it leans away from the party wall. The symptons are similar to those of 395 Massachusetts Avenue and the solution is probably the same, shoring up the load bearing partition in the basement. The plumbing and heating system of the building have either been vandalized or stolen. The roof and gutters are in fair condition and the copper flashings have all been stolen. The facades, front, rear and side are intact with only minor repointing required. Numbers 4-10-12 and 18 are all commerical spaces and at one time they were all florist shops. Now they are used as storage spaces for the BRA maintenance crew. The design scheme of the block is set up on two symmetrical patterns of four buildings each with three two bedrooms on each side of the central party wall. Next to the two bedroom apartments are two sets of stairways situated back to back. One stairway services the two bedroom units and the other services the three bedroom units located on the extreme ends of the block. There is no designated developer for these buildings and once rehabilitated would make twelve nice two and three bedroom apartments as well as meeting space for TDC.

FEASIBILITY OF REHAB.



Building Address 4-6-8-10-12-14-16-18 CLARENDON

Present Use of Building VACANT COMMERCIAL/RESIDENTIAL

What is Overall Building Condition? Good ___ Fair ✓ Poor ___

Number of Floors 1 FLOOR COM. 3 FLOORS RES.

Is the Neighborhood conduscive for conversion to residential units Yes ✓ No ___

Is There Open Space Front NONE Sq. Ft. Rear NONE Sq. Ft.

No. of doors 13 Location(s) FRONT & REAR

STRUCTURAL CONDITIONS

Facade	FAIR	Roof	FAIR
Windows	FAIR	Gutters	FAIR
Stairs	FAIR	Foundation	FAIR
Ceilings	FAIR	Plumbing	NONE
Floors	FAIR	Electrical	NONE
Walls	GOOD	Basement	DRY

BUILDING SUITABLE FOR 12 AMOUT OF UNITS

UNITS SUITABLE FOR 2 AMOUT OF BEDROOMS

BALLPARK FIGURE FOR REHAB OF BUILDING $300,000

REMARKS:

4 - FLOWER STORE
6 - 3 B.R.
8 - 2 B.R
10 - FLOWER STORE
12 - FLOWER STORE
14 - 2 B.R.
16 - 3 B.R.

108-110 Dartmouth Street

Two buildings in our package that we couldn't get into were on the Tent City Sites, 108 and 110 Dartmouth Streets which faced east. They both look fairly sound from the exterior with each having a well preserved brownstone front. The structural system seems to be sound since we saw no shifting or missing brick in either buildings rear or side walls. The roof and gutter were intact with the typical vandalization of the copper flashing. One of the BRA workmen informed us that 108 Dartmouth Street, which was the better looking of the two had only been vacant for approximately two months. 110 Dartmouth Street which has a considerable amount of shrubbery growing wildly in front had been vacant for several years. The designated developer is the Tent City Task Force but they may be willing to let TDC develop three or four low income units in each building.

Building Address 108-110 DARTMOUTH ST.

Present Use of Building VACANT RESIDENTIAL

What is Overall Building Condition? ________

Good ________
Fair ________
Poor ✓

Number of Floors 4

Is the Neighborhood conduscive for conversion to residential units

Yes ✓
No ________

Is There Open Space

Front NONE Sq. Ft.

Rear 300 Sq. Ft.

No. of doors 3

Location(s) FRONT & REAR

STRUCTURAL CONDITIONS

Facade	FAIR	Roof	FAIR
Windows	FAIR	Gutters	FAIR
Stairs		Foundation	FAIR
Ceilings		Plumbing	
Floors		Electrical	
Walls		Basement	

BUILDING SUITABLE FOR 5 AMOUT OF UNITS

UNITS SUITABLE FOR 2 AMOUT OF BEDROOMS

BALLPARK FIGURE FOR REHAB OF BUILDING $150,000

REMARKS:

108:
BROWNSTONE FRONT
GOOD POTENTIAL
STRUCTURALLY SOUND
VACANT FOR APPROX. 2 MONTHS

110:
BROWNSTONE FRONT
POOR POTENTIAL
COULD NOT GET IN
VACANT FOR A NUMBER OF YEARS

353-363 Columbus Avenue

This entire row of buildings facing south on Columbus Avenue along with the two buildings on Dartmouth Street are part of the Tent City Development package. No specific plans yet exist for the site. The Tent City Force wants to salvage the entire site and build moderate income housing. The BRA has plans of demolishing the entire site except for these four buildings on Columbus Avenue. This decision is made with no consideration of quality of buildings. The Dartmouth Street buildings are in better shape than those on Columbus Avenue. One possible option would be for TDC to develop a housing package for Tent City including both subsidized and market rate housing. As the situation finds itself now, the Tent City Task Force are into negotiations with the BRA to determine the fate of the site.

The physical characteristics of the buildings are for the most part poor. The four commercial areas are in repairable condition and could be suitable for meeting space. Most of the basements are in a state of complete destruction. There are water lines broken in at least two places and most of the basement is flooded. The furnaces or what is left of the heating system is unsalavageable.

Upstairs in the living units we have only one out of four buildings that can even be classified as in fair condition. 351,357, and 359 Columbus Avenue all have very extreme structural problems. Stairs are leaning off the party walls at almost 30° angles indicating foundation problems (probably caused by age and flooded basements).

There were holes in both floors and ceiling with parts of the floor joists even broken off. 357 Columbus Avenue seemed to be the worst of the lot. The stairway looked so appauling, seemingly hanging from the party wall, I refused to climb them. Plumbing and heating systems have long since been ripped from the buildings. The best of the four apartment buildings was one of the corner buildings, 363 Columbus Avenue. This building had been taken much better care of than the rest. Structurally the interior was sound, no sagging stairways, no holes in floors or ceilings. Another suprising fact was that the building was clean, very unusual for any of the buildings we inspected. For some strange reasons most of the radiators were still intact. The exterior of the entire block is uniform, missing brick, gutters and flashing throughout. The facade is repairable, some repointing and resurfacing would be necessary. 16 to 20 two and three bedroom units coudl be developed here.

FEASIBILITY OF REHAB.

Building Address 359-363 COLUMBUS AVE.

Present Use of Building VACANT RESIDENTIAL/COM.

What is Overall Building Condition? ___

Good ✓
Fair
Poor

Number of Floors ___

Is the Neighborhood conduscive for conversion to residential units

Yes ✓
No ___

Is There Open Space

Front NONE Sq. Ft.

Rear 1000 Sq. Ft.

No. of doors 8

Location(s) FRONT & REAR

STRUCTURAL CONDITIONS

Facade	GOOD	Roof	GOOD
Windows	GOOD	Gutters	GOOD
Stairs	GOOD	Foundation	GOOD
Ceilings	GOOD	Plumbing	NONE
Floors	GOOD	Electrical	NONE
Walls	GOOD	Basement	DRY

BUILDING SUITABLE FOR 30 AMOUT OF UNITS

UNITS SUITABLE FOR 2-4 AMOUT OF BEDROOMS

BALLPARK FIGURE FOR REHAB OF BUILDING $750,000

REMARKS:

NO OPTIONS YET EXIST FOR DEVELOPING THE TENT CITY SITE.
MAJOR WORK TO BE DONE TO MIDDLE OF THE BLOCK BLDG.

D.1

Unit	S.F.	Number	Total S.F.	Const. Cost/Unit	Monthly Rental	Yearly Rental
Efficiency	454	3	1,362	19,260	299	10,764
1 Bedroom	772	10	7,720	27,210	366	43,920
2 Bedroom	800	32	25,600	27,910	371	142,464
3 Bedroom	1,102	35	38,570	35,460	433	181,860
4 Bedroom	1,606	25	40,125	48,060	539	161,700
			113,377			$540,708

Total Project Cost

Land/Bldg. Acquisition Cost	($10,000/bldg. x 21 bldg.)	210,000
Construction Cost	($25 s.f. x 113,377 s.f.)	2,834,425
Development Fees	(20% of project cost)	620,620
Total		$3,665,045

Project Income

Residential Rents	540,708
5% Vacancy and Bad Debt	26,055
Total	$514,653

Expenses

Maintenance	5%		26,250
Administration	5%		25,560
Operating	10%		51,293
Taxes & Insurance	15%		77,025
Debt Service	65%	(.0972) 40 yrs. @ 9½ int.	334,525
Total			$514,653

Net Cash Flow

$ -0-

Sec. 213 / 105 Units

1.	Cost	Land, Building, Acquisition	10000/bldg x 21 bldg / 105	2,000
		Construction Costs	454 s.f. x $25 s.f.	11,350
		Development Fee	(22% of project cost) / 105	5,910
		Total		$19,260
		Mortgage	19260 x 97%	18,682
		Balance		578
		1% Equity Reserve Fund		98
2.	Down Payment	Total Down Payment		$ 676
3.	Payments	Maintenance	250÷12	21
		Administrative	25,560÷105÷12	20
		Operating	51,293÷105÷12	40
		Taxes & Insurance	77,025÷105÷12	61
		Principal & Interest	18,682/40 yrs. @ 9½%	150
		M.I.P.	.005 yearly on mortgage	7
		Total Monthly Payment		$ 299
4.	Income Requirements	Estimated Monthly Income	299 x 4	1,196
		Estimated Annual Income	1,196 x 12	14,352
		Estimated Income Range	$13,300 - $15,300	

Eff 213

1.	Cost	Land, Building, Acquisition	$\frac{10000/\text{bldg} \times 21 \text{ bldg}}{105}$	2,000
		Construction Costs	772 s.f. x $25 s.f.	19,300
		Development Fee	(20% of project cost)	5,910
		Total		$27,210
		Mortgage	27,210 x 97%	26,393
		Balance		817
		1% Equity Reserve Fund		136
2.	Down Payment	Total Down Payment		$ 953
3.	Payments	Maintenance	250÷12	21
		Administrative	25,560÷105÷12	20
		Operating	51,293÷105÷12	40
		Taxes & Insurance	77,265÷105÷12	61
		Principal & Interest	26,393/40 yrs. @ 9½%	213
		M.I.P.		11
		Total Monthly Payment		$ 366
4.	Income Requirements	Estimated Monthly Income	366 x 4	1,464
		Estimated Annual Income	1,464 x 12	17,568
		Estimated Income Range	$16,500 - $18,500	

1 BR 213

1,	Cost	Land, Building, Acquisition	$\frac{\text{10000/bldg x 21 bldg}}{105}$	2,000
		Construction Costs	800 s.f. x $25 s.f.	20,000
		Development Fee	$\frac{\text{(22\% of project cost)}}{105}$	5,910
		Total		$27,910
		Mortgage	27910 x 97%	27,072
		Balance		838
		1% Equity Reserve Fund		135
2,	Down Payment	Total Down Payment		$ 973
3,	Payments	Maintenance	250÷12	21
		Administrative	25,560÷105÷12.	20
		Operating	51,923÷150÷12	40
		Taxes & Insurance	77,025÷105÷12	61
		Principal & Interest	27,072/40 yrs. @ 9½%	218
		M.I.P.		11
		Total Monthly Payment		$ 371
4,	Income Requirements	Estimated Monthly Income	371 x 4	1,484
		Estimated Annual Income	1,484 x 12	17,808
		Estimated Income Range	$16,800 - $18,800	

2 BR 213

D.5

1.	Cost	Land, Building, Acquisition	10000/bldg x 21 bldg / 105	2,000
		Construction Costs	1102 s.f. x $25 s.f.	27,550
		Development Fee	(22% of project cost) / 105	5,910
		Total		$35,460
		Mortgage	35460 x 97%	34,396
		Balance		1,064
		1% Equity Reserve Fund		171
2.	Down Payment	Total Down Payment		$ 1,235
3.	Payments	Maintenance	250÷12	21
		Administrative	25,560÷105÷12	20
		Operating	51,293÷105÷12	40
		Taxes & Insurance	77,025÷105÷12	61
		Principal & Interest	34,396/40 yrs. @ 9½%	277
		M.I.P.		14
		Total Monthly Payment		$ 433
4.	Income Requirements	Estimated Monthly Income	433 x 4	1,732
		Estimated Annual Income	1,732 x 12	20,784
		Estimated Income Range	$19,700 - $21,700	

3 BR 213

1,	Cost	Land, Building, Acquisition	$\frac{\text{10000/bldg x 21 bldg}}{105}$	2,000
		Construction Costs	1606 s.f x $25 s.f.	40,150
		Development Fee	$\frac{\text{(22\% of project cost)}}{105}$	5,910
		Total		$48,060
		Mortgage	48060 x 97%	46,618
		Balance		1,442
		1% Equity Reserve Fund		233
2,	Down Payment	Total Down Payment		$ 1,675
3,	Payments	Maintenance	250÷12	21
		Administrative	25,560÷105÷12	20
		Operating	51,293÷105÷12	40
		Taxes & Insurance	77,025÷105÷12	61
		Principal & Interest	46,618/40 yrs. @ 9½%	378
		M.I.P.		91
		Total Monthly Payment		$ 539
4,	Income Requirements	Estimated Monthly Income	539 x 4	2,756
		Estimated Annual Income	2,756 x 12	25,872
		Estimated Income Range	$24,800 - $26,800	

4 BR 213

Unit	S.F.	Number	Total S.F.	Const. Cost/Unit	Monthly Rental	Yearly Rental
Efficiency	454	3	1,362	19,260	303	10,908
1 Bedroom	772	10	7,720	27,210	370	44,400
2 Bedroom	800	32	25,600	27,910	376	144,384
3 Bedroom	1,102	35	38,570	35,460	440	184,800
4 Bedroom	1,606	25	40,125	48,060	545	163,500
			113,377			$547,992

Total Project Cost

Land/Bldg. Acquisition Cost	($10,000/bldg. x 21 bldg.)	210,000
Construction Cost	($25 s.f. x 113,377 s.f.)	2,834,425
Development Fees	(20% of project cost)	620,620
Total		$3,665,045

Project Income

Residential Rents	
5% Vacancy and 1% Bad Debt	515,112
Total	

Expenses

Maintenance	5%		26,250
Administration	5%		25,560
Operating	10%		51,293
Taxes & Insurance	15%		77,025
Debt Service	65%	(.0972) 40 yrs. @ 9½ int.	334,525
Total			$514,653

Net Cash Flow

$459,000

Sec. 221(d)(3) & 202/105 Units

1. Cost	Land, Building, Acquisition	10000/bldgx 21/bldg / 105 units	2,000
	Construction Costs	454 s.f. x $25 s.f.	11,350
	Development Fee	(20% of project cost) / 105	5,910
	Total		$19,260
	Mortgage	19260 x 99%	19,067
	Balance		193
	1% Equity Reserve Fund		190
2. Down Payment	Total Down Payment		$ 283
3. Payments	Maintenance	250÷12	40
	Administrative	25,560÷105÷12	20
	Operating	51,293÷105÷12	40
	Taxes & Insurance	77,025÷105÷12	61
	Principal & Interest	19,067/40 yrs. @ 9½%	154
	M.I.P.		7
	Total Monthly Payment		$ 303
4. Income Requirements	Estimated Monthly Income	303 x 4	1,212
	Estimated Annual Income	1,212 x 12	14,544
	Estimated Income Range	$13,500 - $15,500	

Eff. 221(d)(3) + 202

D.9

1. Cost	Land, Building, Acquisition	10000/bldg x 21 bldg / 105	2,000
	Construction Costs	772 s.f. x $25 s.f.	19,300
	Development Fee	(20% of project cost) / 105	5,910
	Total		$27,210
	Mortgage	27,244 x 99%	26,937
	Balance		373
	1% Equity Reserve Fund		270
2. Down Payment	Total Down Payment		$ 543
3. Payments	Maintenance	250÷12	21
	Administrative	25,560÷105÷12	20
	Operating	51,293÷105÷12	40
	Taxes & Insurance	77,265÷105÷12	61
	Principal & Interest	26,937/40 yrs. @ 9½%	217
	M.I.P.		11
	Total Monthly Payment		$ 370
4. Income Requirements	Estimated Monthly Income	370 x 4	1,482
	Estimated Annual Income	1,482 x 12	17,760
	Estimated Income Range	$16,700 $18,700	

1 BR 221(d)(3) & 202

1,	Cost	Land, Building, Acquisition	10000/bldg x 21 bldg / 105 units	2,000
		Construction Costs	800 s.f. x $25 s.f.	20,000
		Development Fee	(20% of project cost) / 105	5,910
		Total		$27,910
		Mortgage	27910 x 99%	27,630
		Balance		280
		1% Equity Reserve Fund		276
2,	Down Payment	Total Down Payment		$ 556
3,	Payments	Maintenance	250÷12	21
		Administrative	25,560÷105÷12	20
		Operating	51,923÷105÷12	40
		Taxes & Insurance	77,025÷105÷12	61
		Principal & Interest	27,630/40 yrs. @ 9½%	223
		M.I.P.		11
		Total Monthly Payment		376
4,	Income Requirements	Estimated Monthly Income	376 x 4	1,504
		Estimated Annual Income	1,504 x 12	18,048
		Estimated Income Range	$17,000 - $19,000	

2 BR 221(d)(3) & 202

D.11

1.	Cost	Land, Building, Acquisition	10000/bldg x 21 bldg / 105	2,000
		Construction Costs	1102 s.f. x $25 s.f.	27,550
		Development Fee	(20% of project cost) / 105	5,910
		Total		$35,460
		Mortgage	35460 x 99%	35,105
		Balance		355
		1% Equity Reserve Fund		351
2.	Down Payment	Total Down Payment		$ 706
3.	Payments	Maintenance	250÷12	21
		Administrative	25,560÷105÷12	20
		Operating	51,293÷105÷12	40
		Taxes & Insurance	77,025÷105÷12	61
		Principal & Interest	35,105/40 yrs. @ 9½%	284
		M.I.P.		14
		Total Monthly Payment		440
4.	Income Requirements	Estimated Monthly Income	440 x 4	1,760
		Estimated Annual Income	1,760 x 12	21,120
		Estimated Income Range	$20,000 - $22,000	

3 BR 221(d)(3)

1.	Cost	Land, Building, Acquisition	10000/bldg x 21 bldg / 105	2,000
		Construction Costs	1606 s.f. x $25 s.f.	40,150
		Development Fee	(20% of project cost) / 105	5,910
		Total		$48,060
		Mortgage	48060 x 99%	47,579
		Balance		481
		1% Equity Reserve Fund		476
2.	Down Payment	Total Down Payment		$ 957
3.	Payments	Maintenance	250÷12	21
		Administrative	25,560÷105÷12	20
		Operating	51,293÷105÷12	40
		Taxes & Insurance	77,025÷105÷12	61
		Principal & Interest	47,579/40 yrs. @ 9½%	384
		M.I.P.		19
		Total Monthly Payment		$ 545
4.	Income Requirements	Estimated Monthly Income	545 x 4	2,180
		Estimated Annual Income	2,180 x 12	26,160
		Estimated Income Range	$25,200 - $27,200	

4 BR 221(d)(3)

E.1

Unit	S.F.	Number	Total S.F.	Const. Cost/Unit	Monthly Rental	Yearly Rental
Efficiency	300	10	3,000	7,500	151	18,120
1 Bedroom	600	1	600	15,000	214	2,568
2 Bedroom	650	3	1,950	16,250	226	8,136
3 Bedroom			5,550			$28,824
4 Bedroom						

Total Project Cost

Land/Bldg. Acquisition Cost	($10,000/bldg. x 2 bldg.)=	20,000
Construction Cost	(5,550 x $25 s.f.)=	138,750
Development Fees	(20% of project cost)=	31,750
Total		$190,500

Project Income

Residential Rents	28,824
2% Vacancy and Bad Debt	338
Total	$28,486

Expenses

Maintenance	5%	(14 units x $100)	1,400
Administration	5%		1,424
Operating	10%		2,874
Taxes & Insurance	15%		4,272
Debt Service	65%	(.0972) 40 yrs. @ 9½ int.	18,516
Total			$28,486

Net Cash Flow $ -0-

Sec 202 / 14 Units

1.	Cost	Land, Building, Acquisition	10000/bldg. x 2 bldg. / 14	1,428	E.2
		Construction Costs	300 s.f. x $25 s.f.	7,500	
		Development Fee	(20% of project cost) / 14	2,267	
		Total		$11,195	
		Mortgage	11195 x 99%	11,083	
		Balance		112	
		1% Equity Reserve Fund		110	
2.	Down Payment	Total Down Payment		$ 222	
3.	Payments	Maintenance	100÷12	8	
		Administrative	1,414÷14÷12	8	
		Operating	2,874÷14÷12	17	
		Taxes & Insurance	4,272÷14÷12	25	
		Principal & Interest	11,083/40 yrs. @ 9½%	89	
		M.I.P.	.005% of mortgage	4	
		Total Monthly Payment		$ 151	
4.	Income Requirements	Estimated Monthly Income	151 x 4	604	
		Estimated Annual Income	604 x 12	7,248	
		Estimated Income Range	$6,200 - $8,200		

Studio 202

1,	Cost	Land, Building, Acquisition	10000/bldg. x 2 bldg. / 14	1,428
		Construction Costs	600 s.f. x $25 s.f.	15,000
		Development Fee	(20% of project cost) / 14	2,267
		Total		$18,695
		Mortgage	18695 x 99%	18,508
		Balance		187
		1% Equity Reserve Fund		185
2,	Down Payment	Total Down Payment		$ 372
3,	Payments	Maintenance	100÷12	8
		Administrative	1,424÷14÷12	8
		Operating	2,874÷14÷12	17
		Taxes & Insurance	4,272÷14÷12	25
		Principal & Interest	18,508/40 yrs. @ 9½%	149
		M.I.P.	.005% of mortgage	7
		Total Monthly Payment		$ 214
4,	Income Requirements	Estimated Monthly Income	214 x 4	856
		Estimated Annual Income	856 x 12	10,272
		Estimated Income Range	$9,500-$11,500	

1 BR 202

E.4

1,	Cost	Land, Building, Acquisition	10000/bldg x 2 bldg. / 14	1,428
		Construction Costs	650 s.f. x $25 s.f.	16,250
		Development Fee	(20% of project cost) / 14	2,267
		Total		$ 19,945
		Mortgage	19945 x 99%	19,745
		Balance		200
		1% Equity Reserve Fund		197
2,	Down Payment	Total Down Payment		$ 397
3,	Payments	Maintenance	100÷12	8
		Administrative	1,424÷14÷12	8
		Operating	2,874÷14÷12	17
		Taxes & Insurance	4,272÷14÷12	25
		Principal & Interest	19,745/40 yrs. @ 9½%	160
		M.I.P.	.005% of mortgage	8
		Total Monthly Payment		$ 226
4,	Income Requirements	Estimated Monthly Income	226 x 4	904
		Estimated Annual Income	904 x 12	10,848
		Estimated Income Range	$9,500 - $11,500	

2 BR 202

Unit	S.F.	Number	Total S.F.	Const. Cost/Unit	Monthly Rental	Yearly Rental
Efficiency	454	2	908	11,350	319	7,658
1 Bedroom	772	8	6,176	19,300	388	37,248
2 Bedroom	800	25	20,000	20,000	393	117,900
3 Bedroom	1,102	30	33,060	27,550	456	164,160
4 Bedroom	1,606	25	40,150	40,150	559	167,700
			100,294			$494,668

Total Project Cost

Land/Bldg. Acquisition Cost	($10,000/bldg. x 19 bldg.)=	190,000
Construction Cost	(100,294 x $25 s.f.)	2,507,350
Development Fees	(20% of project cost)	593,417
Total		$3,290,767

Project Income

Residential Rents	494,668
1% Vacancy and Bad Debt	2,572
Total	$492,096

Expenses

Maintenance	5%	(90 units x $250)	22,500
Administration	5%		25,306
Operating	10%		49,912
Taxes & Insurance	15%		74,516
Debt Service	65%	(.0972) 40 yrs. @ 9½ int.	319,862
Total			$492,096

Net Cash Flow

$ -0-

213/90 units

E.6

1, Cost	Land, Building, Acquisition	10000/bldg x 19 bldg / 90	2,110
	Construction Costs	454 s.f. x $25 s.f.	11,350
	Development Fee	(20% of project cost) / 90	6,593
	Total		$20,054
	Mortgage	200054 x 97%	19,452
	Balance		602
	1% Equity Reserve Fund		97
2, Down Payment	Total Down Payment		$ 699
3, Payments	Maintenance	250÷12	21
	Administrative	25,306÷90÷12	23
	Operating	49,912÷90÷12	46
	Taxes & Insurance	74,516÷90÷12	68
	Principal & Interest	19,452/40 yrs. @ 9½%	153
	M.I.P.	.005 of mortgage	8
	Total Monthly Payment		$ 319
4, Income Requirements	Estimated Monthly Income	319 x 4	1,278
	Estimated Annual Income	1,278 x 12	15,312
	Estimated Income Range	$14,300 - $16,300	

Exh. 213

1,	Cost	Land, Building, Acquisition	10000/bldg/19 bldg / 90	2,111
		Construction Costs	772 s.f. x $25 s.f.	19,300
		Development Fee	(20% of project cost)	6,593
		Total		$28,004
		Mortgage	28004 x 97%	27,163
		Balance		841
		1% Equity Reserve Fund		135
2,	Down Payment	Total Down Payment		$ 976
3,	Payments	Maintenance	250÷12	21
		Administrative	25,306÷90÷12	23
		Operating	49,912÷90÷12	46
		Taxes & Insurance	74,516÷90÷12	68
		Principal & Interest	27,163/40 yrs. @ 9½%	219
		M.I.P.	.005 of mortgage	11
		Total Monthly Payment		$ 388
4,	Income Requirements	Estimated Monthly Income	388 x 4	1,552
		Estimated Annual Income	1,552 x 12	18,624
		Estimated Income Range	$17,600 - $19,600	

1 BR 213

E.8

1.	Cost	Land, Building, Acquisition	$\frac{10000/\text{bldg} \times 19\ \text{bldg}}{90}$	2,111
		Construction Costs	800 s.f. x $25 s.f.	20,000
		Development Fee	$\frac{\text{(20\% of project cost)}}{90}$	6,593
		Total		$28,704
		Mortgage	28704 x 97%	27,842
		Balance		862
		1% Equity Reserve Fund		139
2.	Down Payment	Total Down Payment		$ 1,001
3.	Payments	Maintenance	250÷12	21
		Administrative	25,306÷90÷12	23
		Operating	49,912÷90÷12	46
		Taxes & Insurance	74,516÷90÷12	68
		Principal & Interest	27,842/40 yrs. @ 9½%	224
		M.I.P.	.005 Of mortgage	11
		Total Monthly Payment		$ 393
4.	Income Requirements	Estimated Monthly Income	393 x 4	1,572
		Estimated Annual Income	1,572 x 12	18,864
		Estimated Income Range	$17,800 - $19,800	

2 BR 213

2 BR 213

1. Cost	Land, Building, Acquisition	10000/bldg. x 19 bldg. / 90	2,111
	Construction Costs	1102 x $25 s.f.	27,550
	Development Fee	(20% of project cost)	6,593
	Total		$36,254
	Mortgage	36254 x 97%	35,166
	Balance		1,088
	1% Equity Reserve Fund		175
2. Down Payment	Total Down Payment		$ 1,263
3. Payments	Maintenance	250÷12	21
	Administrative	25,306÷90÷12	23
	Operating	49,912÷90÷12	46
	Taxes & Insurance	74,516÷90÷12	68
	Principal & Interest	35,166/40 yrs. @ 9½%	284
	M.I.P.	.005 of mortgage	14
	Total Monthly Payment		$ 456
4. Income Requirements	Estimated Monthly Income	456 x 4	1,824
	Estimated Annual Income	1,824 x 12	21,888
	Estimated Income Range	$20,800 - $22,800	

3 BR 213

1.	Cost	Land, Building, Acquisition	10000/bldg. x 19 bldg / 90	2,111
		Construction Costs	1606 s.f. x $25 s.f.	40,150
		Development Fee	(20% of project cost) / 90	6,593
		Total		$48,854
		Mortgage	48854 x 97%	47,388
		Balance		1,466
		1% Equity Reserve Fund		236
2.	Down Payment	Total Down Payment		$ 1,702
3.	Payments	Maintenance	250÷12	21
		Administrative	25,306÷90÷12	23
		Operating	49,912÷90÷12	46
		Taxes & Insurance	74,516÷90÷12	68
		Principal & Interest	47,388/40 yrs. @ 9½%	382
		M.I.P.	.005 of mortgage	19
		Total Monthly Payment		$ 559
4.	Income Requirements	Estimated Monthly Income	559 x 4	2,236
		Estimated Annual Income	2,236 x 12	26,832
		Estimated Income Range	$25,800 - $27,800	

4 BR 213

Unit	S.F.	Number	Total S.F.	Const. Cost/Unit	Monthly Rental	Yearly Rental
Efficiency	454	2	908	11,350	326	7,824
1 Bedroom	772	8	6,176	19,300	393	37,728
2 Bedroom	800	25	20,000	20,000	399	119,700
3 Bedroom	1,102	30	33,060	27,550	462	166,320
4 Bedroom	1,606	25	40,150	40,150	568	170,400

Total Project Cost

Land/Bldg. Acquisition Cost	($10,000/bldg. x 19 bldg.)=	190,000
Construction Cost	(100,294 x $25 s.f.)=	2,507,350
Development Fees	(20% of project cost)=	593,4 17
Total		$3,290,767

Project Income

Residential Rents	501,972
2% Vacancy and Bad Debt	9,878
Total	$492,096

Expenses

Maintenance	5%		22,500
Administration	5%		25,306
Operating	10%		49,912
Taxes & Insurance	15%		74,516
Debt Service	65%	(.0972) 40 yrs. @ 9¼ int.	319,862
Total			$492,096

Net Cash Flow $ -0-

Sec 221(d)(3)/90 Units

E.12

1.	Cost	Land, Building, Acquisition	$\frac{10000/\text{bldg} \times 19 \text{ bldg}}{90}$	2,111
		Construction Costs	454 s.f. x $25 s.f.	11,350
		Development Fee	$\frac{(20\% \text{ of project cost})}{90}$	6,593
		Total		$20,054
		Mortgage	20054 x 99%	19,853
		Balance		201
		1% Equity Reserve Fund		198
2.	Down Payment	Total Down Payment		$ 399
3.	Payments	Maintenance	250÷12	21
		Administrative	25,306÷90÷12	23
		Operating	49,912÷90÷12	46
		Taxes & Insurance	74,516÷90÷12	68
		Principal & Interest	19,853/40 yrs. @ 9½%	160
		M.I.P.	.005 of mortgage	8
		Total Monthly Payment		$ 326
4.	Income Requirements	Estimated Monthly Income	326 x 4	1,304
		Estimated Annual Income	1,304 x 12	15,648
		Estimated Income Range	$14,600 - $16,600	

Eff. 221(d)(3)

1,	Cost	Land, Building, Acquisition	10000/bldg x 19 bldg / 90	2,111
		Construction Costs	772 s.f. x $25 s.f.	19,300
		Development Fee	(20% of project cost) / 90	6,593
		Total		$28,004
		Mortgage	28004 x 99%	27,723
		Balance		281
		1% Equity Reserve Fund		277
2,	Down Payment	Total Down Payment		$ 558
3,	Payments	Maintenance	250÷12	21
		Administrative	25,306÷90÷12	23
		Operating	49,912÷90÷12	46
		Taxes & Insurance	74,516÷90÷12	68
		Principal & Interest	27,723/40 yrs. @ 9½%	224
		M.I.P.	.005 of mortgage	11
		Total Monthly Payment		$ 393
4,	Income Requirements	Estimated Monthly Income	393 x 4	1,572
		Estimated Annual Income	1,572 x 12	18,864
		Estimated Income Range	$17,-00 - $19,800	

1 BR 221(d)(3)

1,	Cost	Land, Building, Acquisition	$\frac{10000/\text{bldg} \times 19\ \text{bldg}}{90}$	2,111
		Construction Costs	800 s.f. x$25 s.f.	20,000
		Development Fee	(20% of project cost)	6,593
		Total		$28,704
		Mortgage	28704 x 99%	28,416
		Balance		288
		1% Equity Reserve Fund		284
2,	Down Payment	Total Down Payment		$ 572
3,	Payments	Maintenance	250÷12	21
		Administrative	25,306÷90÷12	23
		Operating	49,912÷90÷12	46
		Taxes & Insurance	74,516÷90÷12	68
		Principal & Interest	28,416/40 yrs. @ 9½%	230
		M.I.P.	.005 of mortgage	11
		Total Monthly Payment		$ 399
4,	Income Requirements	Estimated Monthly Income	399 x 4	1,596
		Estimated Annual Income	1,596 x 12	19,152
		Estimated Income Range	$18,000 - $20,000	

.2 BR 221(d)(3)

1. Cost	Land, Building, Acquisition	$\frac{10000/\text{bldg} \times 19 \text{ bldg}}{90}$	2,111
	Construction Costs	1102 s.f. x $52 s.f.	27,550
	Development Fee	(20% of project cost)	6,593
	Total		$36,254
	Mortgage	36254 x 99%	35,891
	Balance		363
	1% Equity Reserve Fund		358
2. Down Payment	Total Down Payment		$ 721
3. Payments	Maintenance	250÷12	21
	Administrative	25,306÷90÷12	23
	Operating	49,912÷90÷12	46
	Taxes & Insurance	74,516÷90÷12	68
	Principal & Interest	35,891/40 yrs. @ 9½%	290
	M.I.P.	.005 of mortgage	14
	Total Monthly Payment		$ 462
4. Income Requirements	Estimated Monthly Income	462 x 4	1,848
	Estimated Annual Income	1,848 x 12	22,178
	Estimated Income Range	$21,200 - $23,200	

3 BR 221(d)(3)

1,	Cost	Land, Building, Acquisition	10000/bldg x 19 bldg / 90	2,111
		Construction Costs	1606 s.f. x $25 s.f.	40,150
		Development Fee	(20% of project cost) / 90	6,593
		Total		$48,854
		Mortgage	48854 x 99%	48,365
		Balance		489
		1% Equity Reserve Fund		483
2,	Down Payment	Total Down Payment		$ 972
3,	Payments	Maintenance	250÷12	21
		Administrative	25,306÷90÷12	23
		Operating	49,912÷90÷12	46
		Taxes & Insurance	74,516÷90÷12	68
		Principal & Interest	48,365/40 yrs. @ 9½%	390
		M.I.P.	.005 of mortgage	20
		Total Monthly Payment		$ 568
4,	Income Requirements	Estimated Monthly Income	568 x 4	2,272
		Estimated Annual Income	2,272 x 12	27,264
		Estimated Income Range	$26,000 - $28,000	

4 BR 221(d)(3)

Unit	S.F.	Number	Total S.F.	Const. Cost/Unit	Monthly Rental	Yearly Rental
Efficiency	454	2	908	11,350	292	7,008
1 Bedroom	772	8	6,176	19,300	357	34,272
2 Bedroom	800	25	20,000	20,000	362	108,600
3 Bedroom	1,102	30	33,060	27,550	399	143,640
4 Bedroom	1,606	25	40,150	40,150	516	154,800
						$448,320

Total Project Cost

Land/Bldg. Acquisition Cost	($10,000/bldg x 19 bldg)	190,000
Construction Cost	(100,294 x $25 s.f.)	2,507,350
Development Fees	(20% of project cost)	593,417
Total		$3,290,767

Project Income

Residential Rents	448,320
5% Vacancy and 1% Bad Debt	2,802
Total	$445,518

Expenses

Maintenance	5%	90 x 250	22,500
Administration	5%		22,053
Operating	10%		44,551
Taxes & Insurance	15%		66,827
Debt Service	65%	(.0880) 40 yrs. @ 8½%	289,587
Total			$445,518

Net Cash Flow

MHFA / 90 Units

1.	Cost	Land, Building, Acquisition	$\frac{10000/bldg \times 19\ bldg}{90}$	2,111
		Construction Costs	454 s.f. x $25 s.f.	11,350
		Development Fee	$\frac{(20\%\ of\ project\ cost)}{90}$	6,593
		Total		$20,054
		Mortgage	20054 x 99%	19,853
		Balance		201
		1% Equity Reserve Fund		198
2.	Down Payment	Total Down Payment		$ 399
3.	Payments	Maintenance	250÷12	21
		Administrative	22053÷90÷12	20
		Operating	44551÷90÷12	41
		Taxes & Insurance	66827÷90÷12	61
		Principal & Interest	19853/40 yrs. @ 8½%	141
		M.I.P.	.005 of mortgage	8
		Total Monthly Payment		292
4.	Income Requirements	Estimated Monthly Income	292 x 4	1,168
		Estimated Annual Income	1,168 x 12	14,016
		Estimated Income Range	$13,000-$15,000	

Eff MHFA

1,	Cost	Land, Building, Acquisition	10000/bldgx19 bldg	2,111
		Construction Costs	772 s.f. x $25^90 s.f.	19,300
		Development Fee	(20% of project cost)	6,593
		Total		$28,004
		Mortgage	28004 x 99%	27,723
		Balance		281
		1% Equity Reserve Fund		277
2,	Down Payment	Total Down Payment		$ 558
3,	Payments	Maintenance	250÷12	20
		Administrative	25306÷90÷12	21
		Operating	49912÷90÷12	41
		Taxes & Insurance	74516÷90÷12	61
		Principal & Interest	27723/40 yrs. @ 8½%	203
		M.I.P.		11
		Total Monthly Payment		$ 357
4,	Income Requirements	Estimated Monthly Income	357 x 4	1,428
		Estimated Annual Income	1,428 x 12	17,136
		Estimated Income Range	$16,000 - $18,000	

1 BR MHFA

E.20

1, Cost	Land, Building, Acquisition	10000/bldg x 19 bldg / 90	2,111
	Construction Costs	800 s.f. x $25 s.f.	20,000
	Development Fee	(20% of project cost)	6,593
	Total		$28,704
	Mortgage	28704 x 99%	28,416
	Balance		288
	1% Equity Reserve Fund		284
2, Down Payment	Total Down Payment		$ 572
3, Payments	Maintenance	250÷12	20
	Administrative	25306÷90÷12	21
	Operating	49912÷90÷12	41
	Taxes & Insurance	74516÷90÷12	61
	Principal & Interest	28416/40 yrs. @ 8½%	208
	M.I.P.		11
	Total Monthly Payment		362
4, Income Requirements	Estimated Monthly Income	362 x 4	1,448
	Estimated Annual Income	1,448 x 12	17,376
	Estimated Income Range	$16,300 - $18,300	

2 BR MHFA

1.	Cost	Land, Building, Acquisition	10000/bldg x 19 bldg / 90	2,111
		Construction Costs	1102 s.f. x $52 s.f.	27,550
		Development Fee	(20% Of project cost) / 90	6,593
		Total		$36,254
		Mortgage	36254 x 99%	35,891
		Balance		363
		1% Equity Reserve Fund		358
2.	Down Payment	Total Down Payment		$ 721
3.	Payments	Maintenance	250÷12	20
		Administrative	25306÷90÷12	21
		Operating	49912÷90÷12	41
		Taxes & Insurance	74516-90-12	61
		Principal & Interest	35891/40 yrs. @ 8½%	262
		M.I.P.		14
		Total Monthly Payment		$ 399
4.	Income Requirements	Estimated Monthly Income	399 x 4	1,596
		Estimated Annual Income	1,596 x 12	19,152
		Estimated Income Range	$18,000 - $20,000	

3 BR MHFA

1, Cost	Land, Building, Acquisition	10000/bldg x 19 bldg / 90	2,111
	Construction Costs	1606 s.f. x $25 s.f.	40,150
	Development Fee	(20% of project cost)	6,593
	Total		$48,854
	Mortgage	48854 x 99%	48,365
	Balance		489
	1% Equity Reserve Fund		483
2, Down Payment	Total Down Payment		$ 972
3, Payments	Maintenance	250÷12	20
	Administrative	25306÷90÷12	21
	Operating	49912÷90÷12	41
	Taxes & Insurance	74516÷90÷12	61
	Principal & Interest	48365/40 yrs. @ 8½%	353
	M.I.P.		20
	Total Monthly Payment		$ 516
4, Income Requirements	Estimated Monthly Income	516 x 4	2,064
	Estimated Annual Income	2,064 x 12	24,768
	Estimated Income Range	$23,700 - $25,700	

MFHA 4 BR

F.1

Unit	S.F.	Number	Total S.F.	Const. Cost/Unit	Monthly Rental	Yearly Rental
Efficiency	454	3	1,362	19,260	286	10,296
1 Bedroom	772	10	7,720	27,210	342	41,040
2 Bedroom	800	32	25,600	27,910	345	132,480
3 Bedroom	1,102	35	38,570	35,460	424	178,080
4 Bedroom	1,606	25	40,125	48,060	506	151,800
						$ 513,696

Total Project Cost

Land/Bldg. Acquisition Cost	210,000
Construction Cost	2,834,425
Development Fees	620,620
Total	$3,665,045

Project Income

Residential Rents	513,696
5% Vacancy and 1% Bad Debt	15,969
Total	$ 497,727

Expenses

Maintenance	5%		26,250
Administration	5%		25,246
Operating	10%		49,772
Taxes & Insurance	15%		74,662
Debt Service	65%	(.0880) 40 yrs. @8½%	322,523
Total			$ 497,727

Net Cash Flow

MHFA / 105 Units.

1.	Cost	Land, Building, Acquisition	10000/bldg x 21 bldg / 105	2,000
		Construction Costs	454 s.f. x $25 s.f.	11,350
		Development Fee	(20% of project cost) / 105	5,910
		Total		$19,260
		Mortgage	19260 x 99%	19,067
		Balance		193
		1% Equity Reserve Fund		190
2.	Down Payment	Total Down Payment		$ 283
3.	Payments	Maintenance	250÷12	21
		Administrative	25246÷105÷12	20
		Operating	49772÷105÷12	39
		Taxes & Insurance	74662÷105÷12	59
		Principal & Interest	19067/40 yrs. @ 8½%	140
		M.I.P.		7
		Total Monthly Payment		$ 286
4.	Income Requirements	Estimated Monthly Income	286 x 4	1,144
		Estimated Annual Income	1,144 x 12	13,728
		Estimated Income Range	$12,700 - $14,700	

Eff. MHFA

1.	Cost	Land, Building, Acquisition	10000/bldg x21 bldg / 105	2,000
		Construction Costs	772 s.f. x $25 s.f.	19,300
		Development Fee	(20% of project cost)	5,910
		Total		$27,210
		Mortgage	27244 x 99%	26,937
		Balance		373
		1% Equity Reserve Fund		270
2.	Down Payment	Total Down Payment		$ 543
3.	Payments	Maintenance	250÷12	59
		Administrative	25246÷105÷12	20
		Operating	49771÷105÷12	39
		Taxes & Insurance	74602÷105÷12	59
		Principal & Interest	26937/40 yrs. @ 8½%	196
		M.I.P.		7
		Total Monthly Payment		$ 342
4.	Income Requirements	Estimated Monthly Income	342 x 4	1,368
		Estimated Annual Income	1,368 x 12	16,416
		Estimated Income Range	$15,400 - $17,400	

1 BR MHFA

F.4

1, Cost	Land, Building, Acquisition	10000/bldg x 21 bldg ÷ 105	2,000
	Construction Costs	800 s.f. x $25 s.f.	20,000
	Development Fee	(20% of project cost)	5,910
	Total		$27,910
	Mortgage	27910 x 99%	27,630
	Balance		280
	1% Equity Reserve Fund		276
2, Down Payment	Total Down Payment		$ 556
3, Payments	Maintenance	250÷12	21
	Administrative	25,560÷105÷12	20
	Operating	51,923÷105÷12	40
	Taxes & Insurance	77,025÷105-12	59
	Principal & Interest	27,630/40 yrs. @ 8½%	195
	M.I.P.		11
	Total Monthly Payment		$ 345
4, Income Requirements	Estimated Monthly Income	345 x 4	1,380
	Estimated Annual Income	1,380 x12	16,560
	Estimated Income Range	$15,500 - $17,500	

2 BR MHFA

F.5

1,	Cost	Land, Building, Acquisition	$\frac{10000/\text{bldg} \times 21}{105}$	2,000
		Construction Costs	1102 s.f. x $25 s.f.	27,550
		Development Fee	(20% of project cost)	5,910
		Total		$35,460
		Mortgage	35460 x 99%	35,105
		Balance		355
		1% Equity Reserve Fund		351
2,	Down Payment	Total Down Payment		$ 706
3,	Payments	Maintenance	250÷12	21
		Administrative	25,560÷105÷12	20
		Operating	51,293÷105÷12	39
		Taxes & Insurance	77,025÷105÷12	59
		Principal & Interest	35,105/40 yrs. @ 8½%	271
		M.I.P.		14
		Total Monthly Payment		$ 424
4,	Income Requirements	Estimated Monthly Income	424 x 4	1,696
		Estimated Annual Income	1,696 x 12	20,352
		Estimated Income Range	$19,300 - $21,300	

3 BR MHFA

1,	Cost	Land, Building, Acquisition	10000/bldg x 21 bldg / 105	2,000
		Construction Costs	1606 s.f x $25 s.f.	40,150
		Development Fee	(20% of project cost)	5,910
		Total		$48,060
		Mortgage	48060 x 99%	47,579
		Balance		481
		1% Equity Reserve Fund		476
2,	Down Payment	Total Down Payment		$ 957
3,	Payments	Maintenance	250÷12	21
		Administrative	25,560÷105÷12	20
		Operating	51,283÷105÷12	39
		Taxes & Insurance	77,025÷105÷12	59
		Principal & Interest	47579/40 yrs. @ 8½	348
		M.I.P.		19
		Total Monthly Payment		$ 506
4,	Income Requirements	Estimated Monthly Income	506 x 4	2,024
		Estimated Annual Income	2,024 x 12	24,288
		Estimated Income Range	$23,200 - $25,200	

4 BR. MHFA.

Income and Expense Table A

		221(d)(3) 105 units	213 105 units	202 105 units	MHFA 105 units
Project Cost	Land Bldg Acq	210000	210000	210000	210000
	Construction	2834425	2834425	2834425	2834425
	Develop. Fee	620620	620620	620620	620620
	Total	3665045	3665045	3665045	3665045
Project Income	Total Yearly Rentals	547992	540708	547992	513696
	Est. 5% Vacancy 1% bad debt	33339	26055	33339	15969
	Total	514653	514653	514653	497727
Expenses	Maintenance	26250	26250	26250	26250
	Administration	25560	25560	25560	25246
	Operation	51293	51293	51293	49772
	Taxes & Ins.	77025	77025	77025	74662
	Debt Service	334525	334525	334525	322523
	Total	514653	514653	514653	497727
	Net Cash Flow	0	0	0	0

Income and Expense Table B

		202 14 units	221(d)(3) 90 units	213 90 units	MHFA 90 units
Project Cost	Land Bldg Acq	20000	190000	190000	190000
	Construction	138750	2507350	2507350	2507350
	Develop. Fee	31750	593417	593417	593417
	Total	190500	3290767	3290767	3290767
Project Income	Total Yearly Rental	28824	501972	494668	448320
	Est. 5% Vacancy 1% bad debt	338	9878	2572	2802
	Total	28486	492096	492096	445518
Expenses	Maintenance	1400	22500	22500	22500
	Administration	1424	25306	25306	22053
	Operation	2874	49912	49912	44551
	Taxes & Ins.	4272	74516	74516	66827
	Debt Service	18516	319862	319862	289587
	Total	28486	492096	492096	445518
	Net Cash Flow	0	0	0	0

This table shows the income, expenses and cash flows of each of the programs outlined in the study. A non-profit making organization seeks a net cash flow of $0. Many of the expenses are estimated figures based on percentages of the total amount due. There fore it is possible to find a plus cash flow. This amount could be added to the equity reserve fund, divided among the members at the end of the year, or be used in whatever way the corporation chooses. If there is a minus cash flow the corporation is losing money and either rents will have to be raised or expenses cut.

The tables for the 221(d)(3), 213 and 202 programs are similar because each has the same 9½% interest rate on the 40 year mortgage yielding a constant payment rate for all three of .0972. The total yearly rentals for the 213 program are less however than the 221(d)(3) and the 202 programs. This is because of the 98% mortgage, meaning less money to amortize for each of the units. The estimated vacancy, bad debt and expense payments fluctuated to stabilize the project income. For instance, the maintenance costs for individual units in the section 202 program for elderly may range from $100 to $250 depending on the age and health of the resident and the size of the unit.

South End Incomes

The median income of South End households including individuals increased from $3,615 to $6,111 between 1960 and 1970; median family incomes increased from $4,542 to $6,464. The gentrification process contributed to this fact. From 1960 to 1970, the increase in the white population changed the income level from $3,771 to $7,792. The 1970 census showed that 45% of the white families in the South End had incomes over $10,000 while 40% of all families had incomes below $5,000. A 1972 report demonstrated the following information:[21]

SOUTH END
Despite substantial numbers of middle income families moving to the South End, it is still a predominantly low income area with over 30% of the families earning less than $4,000.

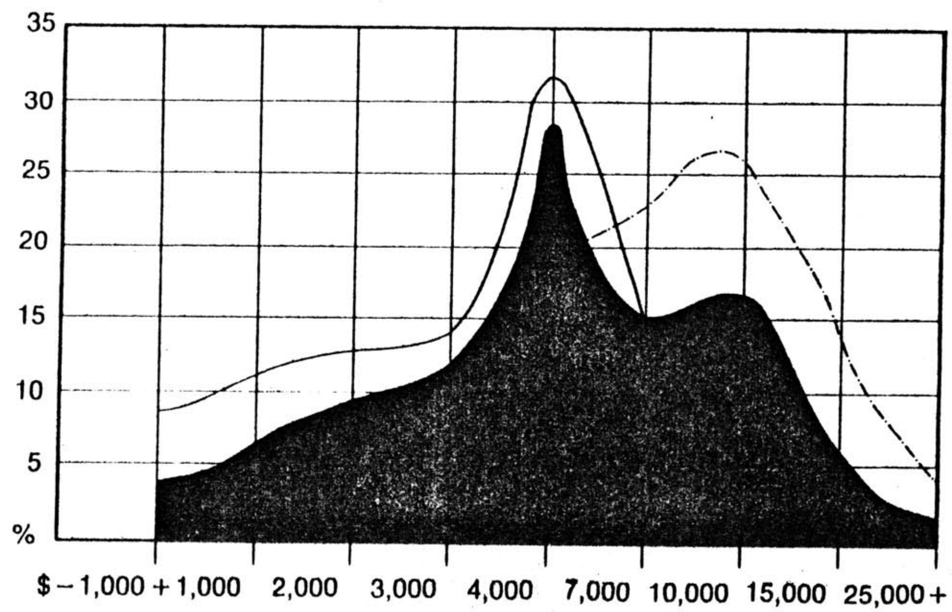


FIG. 18 Family Distribution Income 1960-1970

H.2

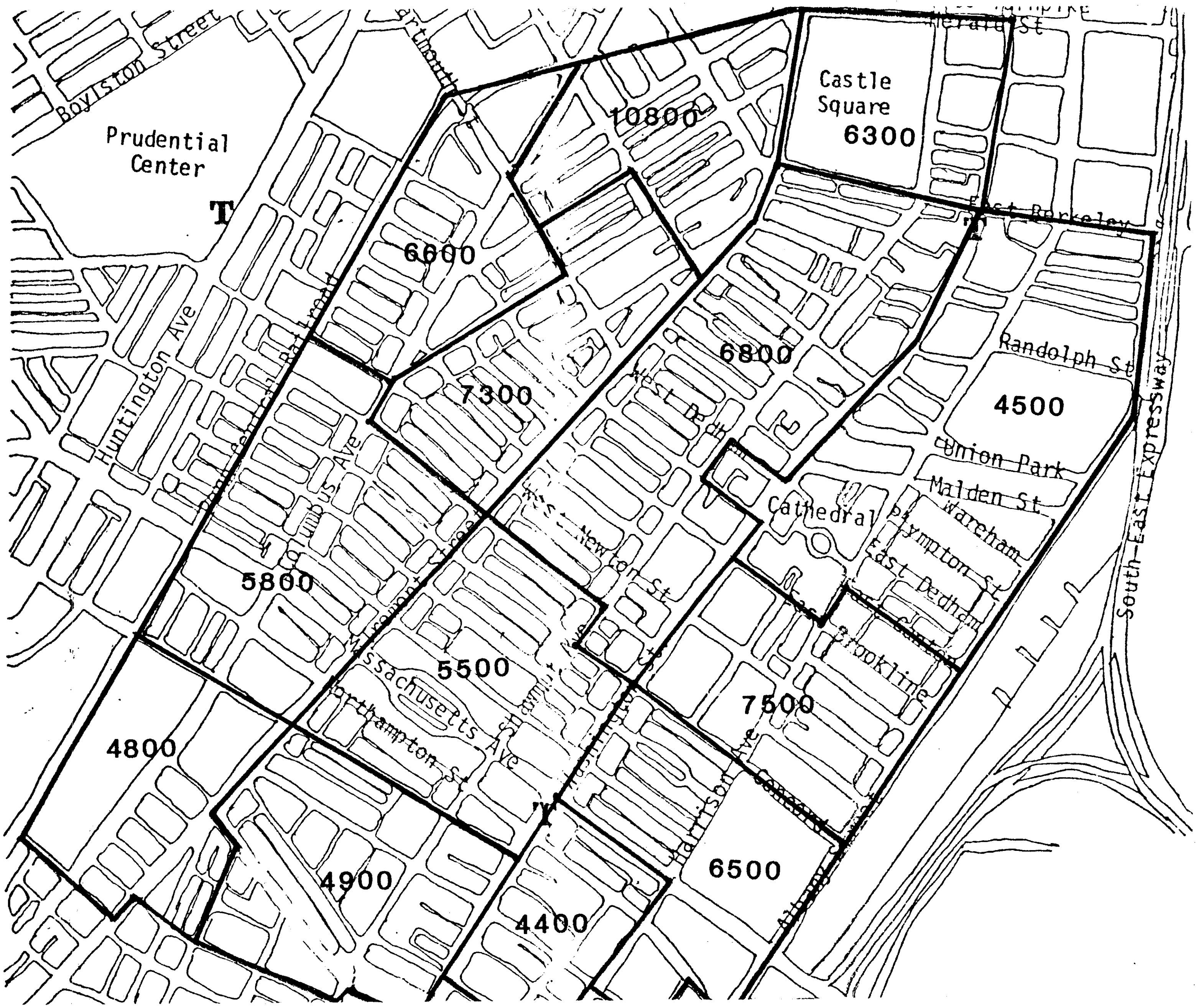


FIG. 19 Incomes in the South End - 1975

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(Sage Publications, 1977) page 7-8

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3 Ibid, 8

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11 Ibid, 16

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13 Robert B. Whittlesey, "The South End Row House and Its Rehabilitation For Low Income Residents"
(Clearinghouse, 1961) page 1-8

14 John Hands, Housing Cooperatives (Society for Cooperative Dwellings 1975) page 27

15 Ibid, 19-20

footnotes

16 Roger Wilcox, Technico-op Inc.
(Stanford, Conn., 1979)

17 HUD, Section 202 Direct Loan Program For Housing For the Elderly Or Handicapped Processing Handbook
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21 Extracted from Urban Renewal and Planning in Boston, a consultant study by John Stainton, Citizens Housing and Planning Association, Novermber 1972, page 35 Original Source: 1960, 1970 U.S. Census Tabulations

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3 Willcox, Roger Resident of Technico-op Inc. Stanford, Conn.
(telephone interview)