



TOWN OF EDGARTOWN
Community Preservation Committee
70 Main Street, P.O. Box 5158
Edgartown, MA 02539
508-627-6180

Date: 9/19/2023

APPLICATION AND APPLICANT INFORMATION FORM

AMOUNT REQUESTED \$ 750,000.00

Purpose (please check each that apply):

Open Space/ Recreation _____ Affordable Housing Historic Preservation _____

Sponsor Name: Edgartown Affordable Housing Committee
Mailing Address: PO BOX 5158 Edgartown MA 02539
Physical Address: 70 Main Street, Edgartown MA 02539
Telephone: 508-627-6178 E-Mail: affordable@edgartown-ma.us

Summary of Proposal:

Describe Project: (attaching maps and any descriptive materials) Seeking additional funds for Meshacket Project. See attached supporting documents.

List Sponsors (including, if applicable, governing Boards, Trustees, Directors, Management, etc...)
Edgartown Affordable Housing Trust

Supporting Town Committee(s) ("NA" if none) Edgartown Affordable Housing Trust
Submitter or Project Director:
Name Mark Hess Telephone# 774-563-0229 (Mark Hess)
E-Mail mhegc1926@verizon.net

Please address the following topic(attach to this form):

- Detailed project description, specific objectives for the project and Sponsor's experience in similar projects.
- How does this project accomplish the goals of the CPA?
- How does this project impact Edgartown's citizens and address current need? What is the estimated or target number of people this project will benefit/effect? How will you measure the success of this project.
- Projected Action Plan and Timeline including major steps needed to complete the project.
- Provide detailed financial information including the following, as applicable:
 - * Initial Capital budget and proposed schedule of CPC disbursement of funds, should application be accepted;
 - * Other revenue sources including private/public funds or in-kind contributions;
 - * Annual revenue and operating costs, once the project is operational;
 - * Annual cost to the town, once the project is operational;
 - * What are the key assumptions in the budget? What are the risks?
 - * Financial sustainability – how will the continuation of the project be secured after the grant?
- Are there any legal ramifications and/or impediments to this project?
- Do you have the authorization of the property owner? What permits/orders/licenses will be required from which Town, Regional or Federal Agencies?



TOWN OF EDGARTOWN
Edgartown Affordable Housing Committee
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Edgartown, Massachusetts 02539

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affordable@edgartown-ma.us

Chairman: Mark Hess,
Vice-Chairman: Jason Mazar-Kelly,
Cornelius Moriarty, Christine White, Maria Ventura, Melissa Vincent, Casey O'Connor

September 20, 2023

Reference: Edgartown Affordable Housing Seeks Additional Funding for Meshacket Project

To Community Preservation Committee:

The Edgartown Affordable Housing (EAH) Committee is requesting additional **\$750,000** in Community Preservation Committee (CPC) funds from FY24 budget to be used specifically for the replenishing of Edgartown Affordable Housing trust account, since we had to fund the Meshacket Project **\$500,000** fall of 2023, in order to avoid delay of the project. The remaining **\$250,000** will go to Meshacket Project upon the receipt of CPC Fiscal Year (FY) 2024 funds. The reason for Additional Funds request for Meshacket project is due to the crazy increase of material cost post pandemic. The National Association of Home Builders stated "Building materials prices are up 19.2% year over year and have risen 35.6% since the start of the pandemic," <https://www.nahb.org/blog/2022/05/building-materials-up-more-than-19-percent-year-over-year> . This explains why the Meshacket budget has unforeseen increased from original estimated \$18 million to current \$31 million project. See attached Meshacket Financial Budget Comparison.

The mission of this project is creating a restricted Affordable housing with 11 buildings, 40 homes, 36 rentals under 100% Area Medium Income (AMI) and four (4) ownership under 120% AMI. This will be a vital progress in addressing Edgartown current housing crisis by maintaining year-round stable workforce. EAH Committee is requesting CPC assistance in supporting completion of Meshacket project and replenishing the EAH Trust balance. The funds are needed now in order to expedite this project, EAH Committee and EAH Trust both decided not to delay in result has pulled **\$500,000** from EAH Trust to fund the additional budget of Meshacket Project. Both EAH Trust and Committee goals are ensuring successful completion of Meshacket project and continued operations of the trust to fund more affordable housing projects to resolve the Edgartown current housing crisis. Therefore, EAH Committee works closely with the development and continued meetings with developers. Both EAH Trust and Committee are aware of the assuming costs can stay constant or decrease given short term reductions in inflation. The risk that costs can continue to rise. The advantages of Meshacket Project have highly surpasses the notable risk.

The Meshacket team have outlined funding, drawings, contractor and budget pricing with the additional funding they will not only be ready to break ground this fall 2023 but will be able to complete the project in two (2) years. The project currently awaits the Closing of Massachusetts Housing Partnership (MHP). Except for MHP, Meshacket team is ready to go.

They have:

1. Finalized construction drawings and specifications
2. Received sign-off from the MVC and approval from Edgartown Zoning Board of Appeal
3. Have chosen their contractor and are now working on a construction contract
4. Have secured funding from the Town of Edgartown and the Commonwealth of Massachusetts
5. Have negotiated with an Investor, Stratford Capital/Rockland Trust and have signed a Term Sheet
6. Have secured construction financing from Rockland Trust

Financial sustainability – The Edgartown Affordable Housing Committee will ensure completion of project and long term sustainability of the trust. Also, to ensure continuous security after the grant, The Community builders will be monitoring and managing the property.

Thank you for your time and consideration. The Edgartown Affordable Housing Committee anxiously awaits your response to replenish our year 2023 and 2024 cost in order to financially assist with the additional funding request of Meshacket Project.

Sincerely,

A handwritten signature in black ink, appearing to be 'Mark Hess', written in a cursive style.

Mark Hess, Chairman
Edgartown Affordable Housing Committee

MESHACKET FINANCIAL BUDGET COMPARISON		9/18/23	
Affirmative/IHT			
SOURCES Rental Unit		REF. 10/2021	CURRENT
Permanent Mortgage- Residential		\$ 3,979,206	\$ 4,349,000
DHCD Soft			
HOME		\$ 750,000	\$ 750,000
AHTF up to 110% AMI		\$ 500,000	\$ -
AHTF up to 60% AMI		\$ 600,000	\$ 1,000,000
HSF		\$ 750,000	\$ 1,000,000
ARPA		\$ -	\$ 1,688,848
National Affordable Housing Trust		\$ 900,000	\$ 500,000
Cape Light Compact		\$ -	\$ 1,696,250
Equity IHT		\$ 981,976	\$ -
Edgartown CPA		\$ 800,000	\$ 406,347
Fed LIHTC		\$ 7,315,557	\$ 13,047,563
State LIHTC		\$ 1,525,200	\$ 3,366,100
Deferred Developer Fee		\$ -	\$ 200,000
Total Sources Rental		\$ 18,101,939	\$ 28,004,108
SOURCES HomeOwnership Units			
Sale price of 2 two-bedroom units		\$ 746,215	\$ 605,000
Sale price of 2 three-bedroom units		\$ 820,836	\$ 710,000
Edgartown Affordable Trust		\$ 200,000	\$ 1,053,375
DHCD Affordable Housing Trust		\$ 300,000	\$ -
Cape Light Compact		\$ -	\$ 190,000
Grants from IHT		\$ 145,971	\$ 1,200,000
Total Sources Homeownership		\$ 2,213,022	\$ 3,758,375
TOTAL PERMANENT SOURCES		\$ 20,314,961	\$ 31,762,483
USES (Rental & Homeownership Combined)			
Acquisition			
Land		\$ 5,000	\$ 5,000
		\$ 5,000	\$ 5,000
Direct Construction			
Hard Cost Construction/Site Work/Permits		\$ 15,293,393	\$ 24,123,134
Hard Cost Contingency (5%)		\$ 764,670	\$ 1,204,257
		\$ 16,058,063	\$ 25,327,391
General Development Costs			
Architecture and Engineering		\$ 1,042,966	\$ 999,075
Legal/Insurance/Marketing/Other		\$ 409,500	\$ 475,000
Construction and Predevelopment Loan Interest		\$ 420,037	\$ 1,519,000
Fees: Bank/Lender/Testing		\$ 212,130	\$ 625,920
Soft Contingency (5%)		\$ 83,385	\$ 180,950
		\$ 2,168,018	\$ 3,799,945
Cap Reserves, Fees & Overhead			
Capitalized Reserves		\$ 283,880	\$ 363,291
Developer Overhead		\$ 900,000	\$ 1,132,646
Developer Fee		\$ 900,000	\$ 1,132,646
		\$ 2,083,880	\$ 2,628,583
Sum USES		\$ 20,314,961	\$ 31,760,919