



Michael V. O'Brien
City Manager

CITY OF WORCESTER

cm2012feb22172216

Attachment for Item #

8.4 C

February 28, 2012

TO THE WORCESTER CITY COUNCIL

COUNCILORS:

Per the request of City Council, the attached communication relative to the financing for certain residential projects in the City, as received from Timothy J. McGourthy, Chief Development Officer, is forwarded for the information of your Honorable Body.

Respectfully submitted,

Michael V. O'Brien
City Manager





CITY OF WORCESTER, MASSACHUSETTS

Executive Office of Economic Development
Division of Housing Development

Timothy J. McGourthy
Chief Development Officer

Miguel A. Rivera
Director

To: Michael V. O'Brien, City Manager
From: Timothy J. McGourthy, Chief Development Officer
Date: February 28, 2012
Re: Financing for Certain Residential Projects in the City of Worcester

Per the request of City Council, I respectfully submit information comparing financing for certain housing projects in the City of Worcester. While the City Council also requested information on privately financed projects, the City does not have access to the total development costs (both hard costs and soft costs) for fully private projects and therefore it is not possible to make an accurate comparison.

Sincerely,

A handwritten signature in black ink that reads "Timothy J. McGourthy".

Timothy J. McGourthy
Chief Development Officer



	5 May Street	9 May Street / WCG	Castle Hill: 15 & 17 LaGrange	Austin Corridor II	Hadley Building	Kilby Gardner Hammond Phases 1 & 2	Kilby Gardner Hammond Phases 3A	Kilby Gardner Hammond Phases 3B	Kilby Gardner Hammond Phase 4
<u>Source of Information</u>	<u>One Stop 04/2011 Proposed</u>	<u>File Review / One Stop</u>	<u>One Stop 02/2011</u>	<u>One Stop 01/09/2012</u>	<u>File Review/MassDocs</u>	<u>File Review/One Stop</u>	<u>File Review/One Stop</u>	<u>File Review/One Stop</u>	<u>File Review / One Stop</u>
<u>Type of Development</u>	<u>Rental</u>	<u>Rental</u>	<u>Rental</u>	<u>Rental</u>	<u>Rental</u>	<u>Homeownership</u>	<u>Homeownership</u>	<u>Homeownership</u>	<u>Rental</u>
<u>Prevailing Wage/ Davis Bacon</u>	<u>Yes</u>	<u>Yes</u>	<u>No</u>	<u>Yes</u>	<u>Yes</u>	<u>No</u>	<u>No</u>	<u>No</u>	<u>No</u>
Private Equity									
Developers Equity	\$10,000.00	\$501,553.51	\$0.00	\$100.00	\$533,645.84	\$97,450.00	\$1.00	\$1.00	\$0.00
Deferred Developer Fee -Loan	\$115,000.00	\$238,066.58	\$145,850.00	\$110,762.00	\$918,151.22	\$0.00	\$0.00	\$0.00	\$0.00
Gross Sales	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,104,000.00	\$1,520,000.00	\$1,399,990.00	\$0.00
	\$125,000.00	\$739,620.09	\$145,850.00	\$110,862.00	\$1,451,797.06	\$2,201,450.00	\$1,520,001.00	\$1,399,991.00	\$0.00
Tax Credit Equity									
Low Income Housing Tax Credits	\$0.00	\$2,967,704.00	\$0.00	\$2,940,741.00	\$12,541,673.00	\$0.00	\$0.00	\$0.00	\$3,128,087.00
Historic Tax Credits	\$0.00	\$1,980,000.00	\$0.00	\$0.00	\$3,369,200.00	\$0.00	\$0.00	\$0.00	\$0.00
	\$0.00	\$4,947,704.00	\$0.00	\$2,940,741.00	\$15,910,873.00	\$0.00	\$0.00	\$0.00	\$3,128,087.00
Public Equity									
NSP 1 State	\$1,300,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
MHIC NSP	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$149,999.00	\$523,600.00
City NSP 1	\$740,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total	\$2,040,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$149,999.00	\$523,600.00
Subordinate Debt									
HOME State	\$0.00	\$0.00	\$500,000.00	\$825,000.00	\$0.00	\$1,625,000.00	\$665,197.00	\$810,000.00	\$550,000.00
City of Worcester HOME	\$250,000.00	\$1,910,000.00	\$550,000.00	\$1,000,000.00	\$1,655,000.00	\$1,282,500.00	\$615,597.00	\$550,000.00	\$670,000.00
CBH - Mass. Rehab Commission	\$0.00	\$750,000.00	\$0.00	\$825,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$420,000.00
AHTF - DHCD Mass Housing	\$0.00	\$1,799,699.00	\$500,000.00	\$534,831.00	\$993,929.00	\$0.00	\$0.00	\$0.00	\$890,000.00
HSF State	\$0.00	\$1,350,000.00	\$0.00	\$0.00	\$550,000.00	\$0.00	\$0.00	\$750,000.00	\$340,000.00
CDBG City	\$0.00	\$0.00	\$0.00	\$0.00	\$400,000.00	\$0.00	\$0.00	\$0.00	\$0.00
WLAP	\$100,000.00	\$132,598.00	\$12,075.00	\$100,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Mass Tech Collaborative	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$192,960.00	\$195,310.00	\$0.00	\$0.00
MassHousing PDF	\$0.00	\$0.00	\$0.00	\$0.00	\$2,199,000.00	\$0.00	\$0.00	\$0.00	\$0.00
Other Anticipated Necessary Public Funding	\$700,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total	\$1,050,000.00	\$5,942,297.00	\$1,562,075.00	\$3,284,831.00	\$5,797,929.00	\$3,100,460.00	\$1,476,104.00	\$2,110,000.00	\$2,870,000.00
Permanent Financing									
MassHousing	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
MHP Fund Permanent Senior Mortgage	\$0.00	\$0.00	\$0.00	\$794,642.00	\$0.00	\$0.00	\$0.00	\$0.00	\$650,000.00
Private Lender	\$250,000.00	\$7,439,196.00	\$300,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total	\$250,000.00	\$7,439,196.00	\$300,000.00	\$794,642.00	\$0.00	\$0.00	\$0.00	\$0.00	\$650,000.00
Total Number of Units	13	46	10	20	45	16	10	10	22
Total Number of Affordable Housing Units	13	46	10	20	40	16	10	10	22
TDC	\$3,465,000.00	\$19,068,817.09	\$2,007,925.00	\$7,131,076.00	\$23,160,599.06	\$5,301,910.00	\$2,996,105.00	\$3,659,990.00	\$7,171,687.00
Total Public Funding	\$3,090,000.00	\$10,890,001.00	\$1,562,075.00	\$6,225,572.00	\$21,708,802.00	\$3,100,460.00	\$1,476,104.00	\$2,259,999.00	\$6,521,687.00
TDC per Unit	\$266,538.46	\$414,539.50	\$200,792.50	\$356,553.80	\$514,679.98	\$331,369.38	\$299,610.50	\$365,999.00	\$325,985.77
Public Funding Per Affordable Unit*	\$237,692.31	\$236,739.15	\$156,207.50	\$311,278.60	\$542,720.05	\$193,778.75	\$147,610.40	\$225,999.90	\$296,440.32
Direct Construction**	\$2,352,173.00	\$12,813,213.67	\$1,258,569.00	\$3,805,984.00	\$20,822,184.64	\$3,444,650.93	\$1,987,460.00	\$2,574,192.00	\$4,176,938.00
% Direct Construction to TDC	67.88%	67.19%	62.68%	53.37%	89.90%	64.97%	66.33%	70.33%	58.24%
Gross Square Footage	14,000	57,364	23,760	29,277	65,638	34,224	20,398	20,398	28,270
Total Cost /Square Foot	\$247.50	\$332.42	\$84.51	\$243.57	\$352.85	\$154.92	\$146.88	\$179.43	\$253.69
Public Funding/Square Foot	\$220.71	\$189.84	\$65.74	\$212.64	\$330.74	\$90.59	\$72.37	\$110.80	\$230.69

Notes:
* Tax Credit Equity is included in the determination of Public Funding per Affordable Unit

** The Kilby Gardner Hammond Phases 1 & 2 Direct Construction Costs are Estimated