

Uses (Costs)

Item	Budgeted
Acquisition Cost (Actual)	
Actual Acquisition Cost: Land	470,000
Actual Acquisition Cost: Buildings	
Subtotal – Acquisition Costs	470,000
Construction Costs – Building Structural Costs (Hard Costs)	
Building Structure Costs	5,046,400
Hard Cost Contingency	315,575
Subtotal – Building Structural Costs (Hard Costs)	5,361,975
Construction Costs – Site Work (Hard Costs)	
Earth Work	75,000
Utilities: On Site	75,000
Utilities: Off-Site	
Roads and Walks	100,000
Site Improvement	75,000
Lawns and Planting	70,000
Geotechnical Condition	40,000
Environmental Remediation	10,000
Demolition	20,000
Unusual Site Conditions/Other Site Work	25,000
Subtotal –Site Work (Hard Costs)	490,000
Construction Costs – General Conditions, Builders Overhead and Profit (Hard Costs)	
General Conditions	332,184
Builder's Overhead	332,184
Builder's Profit	110,728
Subtotal – General Conditions Builders Overhead and Profit (Hard Costs)	775,096
General Development Costs (Soft Costs)	
Appraisal and Marketing Study <i>(not 40B "as is" appraisal)</i>	5,000
Marketing and Initial Rent Up <i>(include model units, if any)</i>	50,000
Real Estate Taxes <i>(during construction)</i>	20,000
Utility Usage <i>(during construction)</i>	5,000
Insurance <i>(during construction)</i>	20,000
Security <i>(during construction)</i>	0
Inspecting Engineer	0

Item	Budgeted
General Development Costs (Soft Costs) – Continued	
Fees to Others	
Construction Loan Interest	231,493
Fees to Construction Lender	79,143
Fees to Permanent Lender	
Architecture/Engineering	
Survey, Permits, etc.	50,000
Clerk of the Works	
Construction Manager	80,000
Bond Premiums (Payment/Performance/Lien Bond)	75,000
Environmental Engineer	40,000
Legal	75,000
Title (including title insurance) and Recording	10,000
Accounting and Cost Certification (incl. 40B)	50,000
Relocation	0
40B Site Approval Processing Fee	2,500
40B Technical Assistance/Mediation Fund Fee	2,500
40B Land Appraisal Cost (as-is value)	5,000
40B Final Approval Processing Fee	9,600
40B Subsidizing Agency Cost Certification Examination Fee	
40B Monitoring Agent Fees	10,000
MIP	
Credit Enhancement	
Letter of Credit Fees	
Other Financing Fees: Tax Credit Allocation Fee	
Other Financing Fees	
Development Consultant	
Other Consultants (describe) <u>peer review</u>	14,000
Other Consultants (describe)	
Syndication Costs	
Soft Cost Contingency	55,712
Other Development (Soft) Costs	280,000
Subtotal – General Development Costs (Soft Costs)	1,169,948
Developer Fee and Overhead	
Developer Fee	1,005,552
Developer Overhead	
Subtotal – Developer Fee and Overhead	1,005,552
Capitalized Reserves	
Development Reserves	
Initial Rent-Up Reserves	20,000
Operating Reserves	38,469
Net Worth Account	
Other Capitalized Reserves	
Subtotal – Capitalized Reserves	58,469

Summary of Subtotals

Item	Budgeted
Acquisition: Land	470,000
Acquisition: Building	
Building Structural Costs (Hard Costs)	5,361,975
Site Work (Hard Costs)	490,000
Builder's Overhead, Profit and General Conditions (Hard Costs)	775,096
Developer Fee and Overhead	1,005,552
General Development Costs (Soft Costs)	1,169,948
Capitalized Reserves	58,469
Total Development Costs (TDC)	9,331,040
Summary	
Total Sources	9,331,040
Total Uses (TDC)	9,331,040

Projected Developer Fee and Overhead*: 1,005,552

Maximum Allowable Developer Fee and Overhead**: 1,005,552

Projected Developer Fee and Overhead equals 100% of Maximum Allowable Fee and Overhead

* Note in particular the provisions of Section IV.B.5.a of the Guidelines, which detail the tasks (i) for which a developer may or may not receive compensation beyond the Maximum Allowable Developer Fee and Overhead and (ii) the costs of which must, if the tasks were performed by third parties, be included within the Maximum Allowable Developer Fee and Overhead.

** Maximum Allowable Developer Fee and Overhead is calculated as follows: 5% of acquisition costs, plus 15% of the first \$3 million of fee-based development costs, plus 12.5% of fee-based development costs between \$3 and \$5 million, plus 10% of fee-based development costs in excess of \$5 million (Per DHCD QAP Guidelines).

Initial Unit/Rent Schedule

Affordable Units @ 80% AMI	Studio	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Number of Units	NA	1	3	1	NA
Number Square Feet		785	1045	1500	
Monthly Rent		\$1,370	\$1,643	\$1,889	
Utility Allowance		-67	-91	-107	

Affordable Units @ 50% AMI	Studio	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Number of Units	NA				
Number Square Feet					
Monthly Rent					
Utility Allowance					

Describe utility allowance assumptions (*utilities to be paid by tenants*): all paid by tenants except for water & sewer

Market Rate Units	Studio	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Number of Units	NA	1	12	2	NA
Number Square Feet		785	1135	1500	
Monthly Rent		\$2,473	\$3,523	\$4,725	

Initial Rental Operating Pro-Forma (for year one of operations)

Item	Notes	Amount
Permanent Debt Assumptions		
Loan Amount	Lender: Needham Bank	7194808
Annual Rate		4.19%
Term		30 yrs
Amortization		30 yrs
Lender Required Debt Service Coverage Ratio		1.25
Gross Rental Income		
Gross Rental Income		750900
Other Income (utilities, parking)		20032
Less Vacancy (Market Units)	5% (vacancy rate)	-32894
Less Vacancy (Affordable Units)	5% (vacancy rate)	-4651
Gross Effective Income		
Gross Effective Income		753419
Less Operating Expenses	Per Unit: 11315	226291
Net Operating Income		
Net Operating Income		527128
Less Permanent Loan Debt Service		421702
Cash Flow		105426
Debt Service Coverage		1.25

Describe "other income": parking, fees

Rental Operating Expense Assumption

Item	Notes	Amount
Assumed Maximum Operating Expenses	Calculated based on Net Operating Income, Debt Service and required Debt Service Coverage listed above.	219550
Assumed Maximum Operating Expense/Unit*	Number of Units: 20	11315

* MassHousing may request further detail regarding projected operating expenses if such expenses appear higher or lower than market comparables.

Required Attachments Relating to Section 5

5.1 New England Fund Lender Letter of Interest *(required for projects with NEF financing)*

Please attach a Letter of Interest from a current Federal Home Loan Bank of Boston (FHLBB) member bank regarding financing for the proposed development. The letter of interest must include, at a minimum, the following:

- Identification of proposed borrower, and brief description of the bank's familiarity with the borrower;
- Brief description of the Proposed Project, including location, number of units and type of building (townhouse, garden style, etc.);
- Confirmation that the bank is a current FHLBB member bank and that the bank will specifically use NEF funds for the proposed development.

NOTE: Binding Construction and Permanent Financing Commitments (or evidence of closed loans) will be required at the time you apply for Final Approval from MassHousing.

5.2 Market Rental Comparables *(required)*

Please provide a listing of market rents being achieved in properties comparable to the proposed project.

5.3 Market Study *(if available)*

MassHousing may require a market study at Final Approval for projects located in areas where the need or demand for the type of housing being proposed cannot be clearly demonstrated.

**Application for Chapter 40B Project Eligibility/Site Approval
for MassHousing-Financed and New England Fund (“NEF”) Rental Projects**

Section 6: APPLICANT QUALIFICATIONS, ENTITY INFORMATION AND CERTIFICATION

In order to issue Site Approval, MassHousing must find (as required by 760 CRM 56.04 (4)) that the applicant is either a non-profit public agency or would be eligible to apply as a Limited Dividend Organization and meets the general eligibility standards of the program.

Name of Proposed Project: 680 Wellesley 680

Development Team

Developer/Applicant: SEB/Wellesley 680, LLC

Development Consultant (if any): _____

Attorney: _____

Architect: Grazado Velleco Architects

Contractor: _____

Lottery Agent: SEB, LLC

Management Agent: _____

Other (specify): Engineer: Hayes Engineering

Other (specify): _____

Role of Applicant in Current Proposal

Development Task	Developer/Applicant	Development Consultant (identify)
Architecture and Engineering	SEB Wellesley 680, LLC (Grazado Velleco & Hayes Engineering)	
Local Permitting	SEB Wellesley 680, LLC	
Financing Package		
Construction Management		
Other		

Applicant’s Ownership Entity Information

Please identify for each of (i) the Applicant and, if different (ii) the Proposed Development Entity, the following (collectively with the Applicant and the Proposed Development Entity, the “Applicant Entities”): the Managing Entities, Principals, Controlling Entities and Affiliates of each.

Note: For the purposes hereof, “Managing Entities” shall include all persons and entities (e.g., natural persons, corporations, partnerships, limited liability companies, etc., including beneficiaries of nominee trusts) who are managers of limited liability companies, general partners of limited partnerships, managing general partners of limited liability partnerships, directors and officers of corporations, trustees of trusts, and other similar persons and entities that have the power to manage and control the activities of the Applicant and/or Proposed Development Entity.

"Principal or Controlling Entities" shall include all persons and entities (e.g., natural persons, corporations, partnerships, limited liability companies, etc., including beneficiaries of nominee trusts) that shall have the right to

- (i) approve the terms and conditions of any proposed purchase, sale or mortgage;
- (ii) approve the appointment of a property manager; and/or
- (iii) approve managerial decisions other than a decision to liquidate, file for bankruptcy or incur additional indebtedness.

Such rights may be exercisable either (i) directly as a result of such person's or entity's role within the Applicant or the Proposed Development Entity or the Managing Entities of either or (ii) indirectly through other entities that are included within the organizational structure of the Applicant and/or Proposed Development Entity and the Managing Entities of either.

In considering an application, MassHousing will presume that there is at least one Principal or Controlling Entity of the Applicant and of the Proposed Development Entity. Any person or persons who have purchased an interest for fair market value in the Applicant and/or Proposed Development Entity solely for investment purposes shall not be deemed a Principal or Controlling Entity.

"Affiliates" shall include all entities that are related to the subject organization by reason of common control, financial interdependence or other means.

Applicant

Name of Applicant: SEB/ Wellesley 680, LLC

Entity Type (limited liability company, limited partnership, limited liability partnership, corporation, trust, etc.):
LLC

State in which registered/formed: MA

List **all** Managing Entities of Applicant (you **must** list at least one): SEB/ Wellesley 680, LLC

List **all** Principals and Controlling Entities of Applicant and (unless the Managing Entity is an individual) its Managing Entities (use additional pages as necessary): SEB/Wellesley 680, LLC

Geoff Engler

Bob Engler

SEB, LLC

List **all** Affiliates of Applicant and its Managing Entities (use additional pages as necessary): _____

2. Proposed Development Entity

Name of Proposed Development Entity: SEB/ Wellesley 680, LLC

Entity Type (*limited liability company, limited partnership, limited liability partnership, corporation, trust, etc.*):
LLC

State in which registered/formed: MA

List **all** Managing Entities of Proposed Development Entity (*you must list at least one*): SEB/ Wellesley 680, LLC

List **all** Principals and Controlling Entities of Proposed Development Entity and (*unless the Managing Entity is an individual*) its Managing Entities (*use additional pages as necessary*): _____

Geoff Engler

Bob Engler

SEB/Wellesley 680, LLC

SEB, LLC

List **all** Affiliates of Proposed Development Entity and its Managing Entities (*use additional pages as necessary*): _____

Applicant Entity 40B Experience

Please identify **every** Chapter 40B project in which the Applicant or a member of the project team has or had an interest. For each such project, state whether the construction has been completed and whether cost examination has been submitted (*use additional pages as necessary*).

40B Project	Applicant or Team Member	Role	Municipality	Number of Units/Type	Year Completed	Cost Cert Submitted?
Greendale Village	Applicant	Developer	Needham	20/For-sale	Q4 2015	Not yet
The Village on Main	Applicant	Developer	Hingham	20/For-sale	TBD	No
75/83 Court Street	Applicant	Developer	Newton	36/For-sale	TBD	No
Parkview Homes	Applicant	Developer	Newton	10 For-sale	2011	Yes

Certification

I hereby certify on behalf of the Applicant, *under pains and penalties of perjury*, that the information provided above for each of the Applicant Entities is, to the best of my knowledge, true and complete; and that each of the following questions has been answered correctly to the best of my knowledge and belief:

(Please attach a written explanation for all of the following questions that are answered with a "Yes". Explanations should be attached to this Section 6.)

Is there pending litigation with respect to any of the Applicant Entities? Yes No

Are there any outstanding liens or judgments against any properties owned by any of the Applicant Entities? Yes No

Have any of the Applicant Entities failed to comply with provisions of Massachusetts law related to taxes, reporting of employees and contractors, or withholding of child support? Yes No

Have any of the Applicant Entities ever been the subject of a felony indictment or conviction? Yes No

During the last 10 years, have any of the Applicant Entities ever been a defendant in a lawsuit involving fraud, gross negligence, misrepresentation, dishonesty, breach of fiduciary responsibility or bankruptcy? Yes No

Have any of the Applicant Entities failed to carry out obligations in connection with a Comprehensive Permit issued pursuant to M.G.L. c. 40B and any regulations or guidelines promulgated thereunder (whether or not MassHousing is or was the Subsidizing Agency/Project Administrator) including, but not limited to, completion of a cost examination and return of any excess profits or distributions? Yes No

Have any of the Applicant Entities ever been charged with a violation of state or federal fair housing requirements? Yes No

Are any of the Applicant Entities not current on all existing obligations to the Commonwealth of Massachusetts, and any agency, authority or instrument thereof? Yes No

I further certify that the information set forth set forth in this application (including attachments) is true, accurate and complete as of the date hereof to the best of my/our knowledge, information and belief. I further understand that MassHousing is relying on this information in processing the request for Site Approval in connection with the above-referenced project; and

I further certify that we have met with a representative of the 40B Department at MassHousing and understand the requirements for a) completing this application and b) the procedures if and when Site Approval is granted, including the requirement for (i) the use of the standard MassHousing Regulatory Agreement, (ii) submission to MassHousing, of a cost certification examined in accordance with AICPA attestation standards by ninety days of project completion (and prior to permanent loan closing if MassHousing is the permanent lender), of an audited cost certification by an approved certified public accountant and (iii) the posting of surety for completion of the cost certification as a condition of Final Approval by MassHousing under Chapter 40B.

Signature: Geoff Engler

Name: Geoff Engler

Title: Developer

Date: 6/1/2016

The members of SEB/Wellesley 680, LLC are also members of FX Winchester, LLC. In April 2016, the Winchester Zoning Board of Appeals granted a comprehensive permit to FX Winchester, LLC to construct 96 rental units. Several abutters, represented by attorney Dan Hill, disagreed with the decision and appealed the decision to Superior Court on May 5th 2016. FX Winchester, LLC was a named defendant in that appeal alongside the Winchester Zoning Board of Appeals.

Required Attachments Relating to Section 6

6.1 Development Team Qualifications

Please attach resumes for principal team members (Applicant, consultant, attorney, architect, general contractor, management agent, lottery agent, etc.) and list of all relevant project experience for 1) the team as a whole and 2) individual team members. Particular attention should be given to demonstrating experience with (i) projects of a similar scale and complexity of site conditions, (ii) permitting an affordable housing development, (iii) design, and (iv) financing. The development team should demonstrate the ability to perform as proposed and to complete the project in a competent and timely manner, including the ability to pursue and carry out permitting, financing, marketing, design and construction.

(If the Applicant (or, if the Applicant is a single purpose entity, its parent developer entity) has received financing from MassHousing within the past five (5) years for a development of comparable size and complexity to the Proposed Project, no resume or list of project experience need be submitted for the Applicant or, as applicable, its parent developer entity. Information regarding the other team members still will be required.)

6.2 Applicant's Certification

Please attach any additional sheets and any written explanations for questions answered with "yes" as required for Certification.

**Application for Chapter 40B Project Eligibility/Site Approval
for MassHousing-Financed and New England Fund (“NEF”) Rental Projects**

Section 7: NOTIFICATIONS AND FEES

Name of Proposed Project: Wellesley 680

Notice

Date(s) of meetings, if any, with municipal officials prior to submission of application to MassHousing: February 9th, 2016

Date copy of complete application sent to chief elected office of municipality: June 27th, 2016

Date notice of application sent to DHCD: June 27th, 2016

Fees *(all fees should be payable to MassHousing)*

MassHousing Application Processing Fee (\$2500): \$2,500

Chapter 40B Technical Assistance/Mediation Fee \$2,500

a. Base Fee: \$600
(Limited Dividend Sponsor \$2500, Non-Profit or Public Agency Sponsor \$1,000)

b. Unit Fee *(all projects)* \$30 per Unit: \$3,100

Total TA/Mediation Fee *(Base Fee plus Unit Fee)*: \$5,600

Total Fees Due: \$5,600

Land Appraisal Cost

You will be required to pay for an “as-is” market value appraisal of the Site to be commissioned by MassHousing. MassHousing will contact you once a quote has been received for the cost of the appraisal.

Required Attachments Relating to Section 7

- 7.1** Narrative describing any prior correspondence and/or meetings with municipal officials
- 7.2** Evidence (such as a certified mail receipt) that a copy of the complete application package was sent to the chief elected official of municipality (may be submitted after the application is submitted to MassHousing)
- 7.3** Copy of notice of application sent to DHCD
- 7.4** Check made payable to MassHousing for Processing Fee (\$2500)
- 7.5** Check made payable to MassHousing for Technical Assistance/Mediation Fee
- 7.6** W-9 (Taxpayer Identification Number)

Application Checklist

The documentation listed below must, where applicable, accompany each application. For detailed descriptions of these required documents, please see the relevant sections of the application form.

* Applications missing any of the documents indicated by an asterisk will not be processed by MassHousing until MassHousing receives the missing item(s).

- * Completed application form, and certification under pains and penalties of perjury (*one (1) signed original accompanied by two (2) copies of the complete application package*)
- * Location Map
- Tax Map
- * Directions to the Proposed Site
- * Existing Conditions Plan
- Aerial Photographs
- Site/Context Photographs
- * Documentation Regarding Site Characteristics/Constraints
- * By Right Site Plan, if Applicable
- * Preliminary Site Layout Plan(s)
- * Graphic Representations of Project/Preliminary Architectural Plans
- * Narrative Description of Design Approach
- * Tabular Zoning Analysis
- Sustainable Development Principles Evaluation Assessment Form
- * Evidence of Site Control (*documents and any plans referenced therein*)
- Land Disposition Agreement, if Applicable
- * NEF Lender Letter of Interest
- Market Rental Comparables
- Market Study, if Required by MassHousing
- * Development Team Qualifications
- Applicant's Certification (*any required additional sheets*)
- Narrative describing prior contact (*if any*) with municipal officials
- * Evidence that a copy of the application package has been received by the chief elected official in the municipality (*may follow after initial submission of application package, but site visit will not be scheduled nor request for municipal comments made until such evidence is received by MassHousing*)
- Copy of Notification Letter to DHCD
- * Fees (\$5,000 plus \$30 per unit of housing proposed) payable to MassHousing (*once an appraiser has been selected by MassHousing and an appraisal fee quoted, an additional non-refundable appraisal fee will be required*)

[ATTACH SUSTAINABLE DEVELOPMENT SCORECARD HERE]