



Somerville Community Land Trust

Somerville, MA • (857) 756 5104 • www.somervillecommunitylandtrust.org

September 26, 2025

Somerville Affordable Housing Trust

50 Evergreen Street

Somerville, MA 02143

(Sent via email to Sheniqua Roper)

To the members of the Somerville Affordable Housing Trust,

Please accept this formal request from Somerville Community Land Trust related to the refinance of the acquisition loan used to purchase the property and commencement of renovation activities at 12 Pleasant Ave., Somerville, MA 02143. 12 Pleasant Ave. is a 6-unit multifamily building that was purchased by Somerville CLT in 2024 with the intention of preventing tenant displacement and converting to a formal affordable housing structure. Somerville CLT worked closely with the tenants, the Community Action Agency of Somerville, and the Somerville Affordable Housing Trust (SAHT) to move forward with the acquisition, and Somerville CLT has been managing the building as a rental property until the present. Two 12 Pleasant Ave. residents have joined Somerville CLT's Board of Directors, which holds 5 seats for residents of our CLT. 12 Pleasant Ave is within a local historic district, and is eligible for historic CPA funding to preserve the historic character of the building.

Somerville CLT has received a commitment of \$365,000 in CPA historic preservation funds to cover the eligible portion of the renovation scope. Additionally, Somerville CLT is seeking \$75,000 from the Charlesbank Homes Foundation to further subsidize affordable conversion. Somerville CLT is working with Winter Hill Bank to develop a construction loan, to be repaid upon sale of the affordable condominiums. Winter Hill Bank lending terms allow for a loan of 80% of the value of the property, considered to be the sum of the six condo sale prices. Somerville CLT here proposes the remaining 20% of the construction loan be structured as a deferred developer fee, with final condo sales paying out Somerville CLT's developer fee and overhead costs.

This request proposes to refinance the existing \$2.501M SAHT acquisition loan to subsidize the conversion to an affordable homeownership structure. Additionally, Somerville CLT requests \$600,000 to cover the remaining budget gap. Please see the attached *pro forma* for a more detailed financing plan. Also included is a table of proposed condominium sale prices, construction scope of work, and a narrative description of the tenant-to-homeowner conversion process.

Development Sources & Uses

| | | | | | |
|--------------|-----------------|-------------|---|--|-----------|
| Project Name | 12 Pleasant Ave | Total Units | 6 | | 9/26/2025 |
|--------------|-----------------|-------------|---|--|-----------|

| | | Sources of Financing | | | | | \$ 5,201,512.36 | |
|---|-----|----------------------|---------------------|----------------------------|----------------------|---------------------|--------------------|------------|
| New Construction? | No | Uses of Funds | SAHT Subsidy | Somerville CPA Historic | Charlesbank Homes | Deferred Dev Fee | WHB Debt 80% | Balance |
| Rehab? | Yes | | | | | | | |
| LAND & ACQUISITION | | | \$ 3,101,000 | \$ 365,000 | \$75,000 | \$332,102 | \$1,328,410 | \$0 |
| SAHT Loan Repayment \$2.501M | | 2,501,000 | 1,172,590 | | | | 1,328,410 | - |
| Real Estate Taxes (12 mos) | | 25,860 | 25,860 | - | | | | - |
| Recording fees to County | | 12,000 | 12,000 | | | | | |
| Escrow agent legal | | 7,000 | 7,000 | | | | | |
| Title insurance | | 7,000 | 7,000 | | | | | |
| Total Land Cost | | 2,552,860 | 1,224,451 | - | - | - | 1,328,410 | - |
| LOAN COSTS | | | | | | | | |
| Administrative fees | | 2,500 | 2,500 | - | | | | - |
| Bridge Loan Interest Escrow Account | | 47,787 | 47,787 | - | | | | - |
| Total Loan Costs | | 50,287 | 50,287 | - | - | - | - | - |
| HARD COSTS | | | | | | | | |
| Renovation/Rehabilitation | | 1,429,600 | 1,094,570 | 290,030 | 45,000 | | | - |
| Contingency | | 16% 228,736 | 156,228 | 42,508 | 30,000 | | | - |
| Escalation | | 5% 82,917 | 64,790 | 18,127 | | | | (0) |
| Total Hard Costs with escalation | | 1,741,253 | 1,315,588 | 350,665 | 75,000 | - | - | (0) |
| OTHER PROJECT COSTS | | | | | | | | |
| Appraisal | | | | | | | | - |
| Lender Legal Paid by Applicant | | 4,500 | 4,500 | - | | | | - |
| Developer Legal - Klein Hornig | | 60,000 | 60,000 | - | | | | - |
| Developer Condo Legal - Cushner & Bloom | | 53,500 | 53,500 | - | | | | - |
| Marketing | | 54,000 | 54,000 | - | | | | - |
| Architect (condo plans) | | 17,500 | 17,500 | | | | | - |
| Insurance | | 20,000 | 20,000 | - | | | | - |
| Relocation and Rental Transition | | 156,546 | 156,546 | | | | | |
| Carrying Cost (electricity/gas/water/sewer) | | 15,000 | 15,000 | - | | | | - |
| Carrying Cost (snow removal) | | 2,000 | 2,000 | | | | | - |
| Cert of Occupancy Fee | | 1,800 | 1,800 | | | | | - |
| Construction Consultant, CPA Signage | | 60,000 | 45,665 | 14,335 | | | | - |
| Soft Cost Contingency | | 13.29% 59,116 | 59,116 | - | | | | - |
| Developer Fee | | 353,150 | 21,048 | | | 332,102 | | - |
| Total Other Costs | | 857,112 | 510,675 | 14,335 | - | 332,102 | - | - |
| Total Development Costs | | 5,201,512.26 | 3,101,000 | 365,000 | 75,000 | 332,102 | 1,328,410 | (0) |
| | | 0 | 60% | 7% | 1% | 6% | 26% | 1.00 |

| Number of Units | Bedrooms per Unit | Notes | Assumed Occupancy per Unit | Target AMI % | AMI Adjusted for Family Size | Target Income for Unit | Sale Price | Monthly Condo Fee - GL Fee | Monthly Mortgage | Monthly Other than Mortgage Costs | Total Paid by Household | Actual Affordability Level % of AMI w/ 3% down |
|-----------------|-------------------------|-----------|----------------------------|--------------|------------------------------|------------------------|--------------|----------------------------|------------------|-----------------------------------|-------------------------|--|
| 1 | 2 | #1 1 bath | 2.0 | 110% | 145,552 | 132,452 | 347,310.00 | 429 | 2,020 | 642 | 3,091 | 100% |
| 1 | 2 | #2 1 bath | 2.0 | 110% | 145,552 | 132,452 | 347,310.00 | 429 | 2,020 | 642 | 3,091 | 100% |
| 1 | 2 | #3 1 bath | 2.0 | 80% | 105,850 | 92,090 | 241,473.00 | 298 | 1,404 | 446 | 2,149 | 70% |
| 1 | 2 | #4 1 bath | 2.0 | 80% | 105,850 | 92,090 | 241,473.00 | 298 | 1,404 | 446 | 2,149 | 70% |
| 1 | 2 | #5 1 bath | 2.0 | 80% | 105,850 | 92,090 | 241,473.00 | 298 | 1,404 | 446 | 2,149 | 70% |
| 1 | 2 | #6 1 bath | 2.0 | 80% | 105,850 | 92,090 | 241,473.00 | 298 | 1,404 | 446 | 2,149 | 70% |
| 6 | Income-restricted units | | | | | | 1,660,512.00 | 2,050.00 | 9,657 | 3,069 | 14,776 | monthly |
| 90% | Average Target AMI % | | | | | | | 24,600.00 | 115,883 | 36,830 | 177,314 | annual |
| 2.0 | Average bedroom size | | | | | | | | | | | |

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| 12 PLEASANT AVE, SOMERVILLE CLT PROJECT SCOPE: TDS Revised Project Scope Assessment. Refer also to Structural and Hazardous Materials Reports. | NOTES |
| EXTERIOR | |
| REPAIR SIDING AND TRIM | Follow historical guidelines for restoration and preservation of siding and trim. |
| REPAIR EXISTING WALL SHEATHING | Allowance for areas discovered during siding repair. |
| WALL INSULATION | Add where wall cavity is exposed by siding/sheathing replacement. |
| EXTERIOR DE-LEADING | Have licensed lead abatement contractor remove all chipping and deteriorating exterior paint. |
| EXTERIOR PAINTING | Repaint all exterior siding and trim per historical restoration guidelines. |
| ROOFING REPAIR | |
| ROOF INSULATION | Add where exposed by roof or sheathing repair or replacement. |
| FLASHING | Repair/Replace flashing over first floor windows, east side of building. |
| LANDSCAPING | Allowance for general cleanup and restoration after construction. |
| NEW PAVING | Rear Patio - remove old asphalt, regrade and repave. |
| REAR ENTRANCE STAIRS | Remove and replace. |
| NEW FENCING | Replace existing chain link fence. |
| REPOINT BRICK AND STONE FOUNDATION WALLS | Select areas as required. Following historic restoration guidelines. |
| EXTERIOR WINDOWS | Historic Window Replacement - Harvey Majesty |
| REPAIR WOOD AROUND WINDOW REPLACEMENT | |
| EXTERIOR DOORS | Remove and replace rear entry door, frame and hardware. Refinish and restore main front entry door. |
| STORM/GROUND WATER MANAGEMENT | Inspect entire existing storm water management system including all leaders, downspouts, drain pipes, etc. Identify and recommend and areas for repair or replacement. |

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| INTERIOR | |
|---------------------------------|---|
| NEW KITCHENS (6 UNITS) | NEW CABINETS AND APPLIANCES, PAINT AND FLOORING |
| NEW BATHROOMS (6 UNITS) | NEW FIXTURES FLOORING, TUB SURROUNDS, LIGHTING, FANS |
| | |
| REPLACE BOILERS WITH ELEC. HP'S | Remove existing gas-fired boilers and piping. Provide and install new mini-split heat pumps in each unit. Design/Build by contractor. |
| NEW BASEBOARD HEATING | New electric baseboard in bathrooms if required. |
| NEW A/C SYSTEM | Provide and install new mini-split heat pumps in each unit. Design/Build by contractor. |
| NEW ERV'S AND DUCTWORK | For balanced ventilation if required. |
| ELECTRICAL | Remove all adandoned wiring from basement. Replace any sub-standard active wiring as required. |
| | |
| DRYWALL REPAIRS | As required by kitchen/bath replacements or other work. Allowance. |
| INTERIOR DE-LEADING | All deteriorating lead paint to be removed by a licensed lead abatement contractor per hazardous materials report. |
| WALL PATCH AND REPAIR | After de-leading, patch and repair existing drywall prior to repainting. |
| REPAINTING | All common areas. In units as required by kitchen/bath replacements. Repaint all units following de-leading process. |
| NEW LIGHTING FIXTURES | Replace existing lighting with LED throughout. |
| | |
| FIRE ALARM SYSTEM | Test and repair as needed. Provide smoke detectors to meet code. |
| | |
| FIRE EXTINGUISHERS | As recommended by Code Consultant. |
| | |

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|-----------------------------|--|
| ADD ATTIC INSULATION | Provide new blown-in fiber insulation |
| REPLACE BASEMENT INSULATION | Remove old batt insulation and replace. |
| BASEMENT: | |
| ACCESS STAIRS | Remove and replace |
| LAUNDRY/SINK | Remove and replace existing utility sink and laundry connections. |
| BRICK PIERS | Remove existing brick piers and replace with tube steel columns per Structures North report. |
| STONE FOUNDATION WALLS | Deep cut and repoint existing stone foundation walls per Structures North report. |
| FIRST FLOOR WOOD STRUCTURE | Repair and reinforce first floor wood structure per Structures North report. |
| STAIR REINFORCEMENT | Repair and reinforce main stair run from 2nd to 3rd floor. |
| SUMP PUMPS | Install new heavy-duty sump pumps in both slab depressions. Connect to storm water discharge system. |
| NEW DOMESTIC HOT WATER | Replace existing HW boiler-attached heaters with HP heaters, one per unit plus one common for laundry. |

| UNIT SPECIFIC AND OPTIONAL WORK | |
|--|---|
| WOOD FLOORING INSIDE UNITS | Sand and Refinish. Per unit allowance. |
| UNIT 2 - WATER DAMAGE | Patch and repair ceiling and walls in front bedroom. Trouble-shoot source of leak. |
| UNIT 3 - 12x12 TILE CEILING | Remove existing 12x12 tile ceiling from bedroom and replace with drywall, tape, sand and paint. |
| UNIT 4 - ROUGH PLASTER CEILING | Remove existing rough plaster ceiling from bedroom and replace with drywall, tape, sand and paint. |
| ONE UNIT (TBD) - VISUAL ALARMS | Provide and install new visual alarms for fire/smoke, doorbell and telephone, per code consultant report. |



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Tenant to Homeowner Process

In 2023 Somerville Community Land Trust approached 12 Pleasant Ave. with the intention of working with existing tenants to purchase their units as income-restricted condominiums on our community land trust. We met with tenants early on to gauge their interest and eligibility, and determined that it was a reasonable course to pursue. Since acquisition we have been in constant communication with the residents to keep them informed of progress and plans for renovation and conversion. During this time, tenants in units 2 and 6 have moved out or informed Somerville CLT of their intention to move out in order to seek a larger apartment with more space, leaving two of the six units vacant.

Somerville CLT formally notified tenants of the intention to convert to condominium in October, 2024, and submitted an application for condominium conversion to the Condominium Review Board in February, 2025. Preliminary permits were awarded at a March 24, 2025 meeting of the Board.

Somerville CLT is working with each of the four remaining households to prepare them for homeownership. Tenants are beginning their first-time homebuyer certification processes and seeking mortgage preapproval letters from lenders. We are also coaching residents on good financial practices, such as avoiding taking on new debt or making major purchases in anticipation of purchasing a home.

If for any reason current tenants are unable to purchase their unit as an affordable condominium, Somerville CLT will make the necessary relocation arrangements and payments as required in Somerville's Condo Conversion Ordinance.

During the renovation/construction phase, all remaining tenants will be temporarily relocated into nearby short-term rental properties. Somerville CLT will seek to minimize the impact to tenants by concentrating in-unit work within a short time period, and allowing tenants to remain in place while scope items like exterior renovations are completed.

Somerville CLT will engage a consultant to market the vacant units in accordance with an affirmatively furthering fair housing marketing plan, run a lottery, and assist in the unit purchase closing process.