

HRI

HOMEOWNER'S  
REHAB. INC.

PROPOSAL FOR FISCAL YEAR 1996 - 1997

TO: North Cambridge Stabilization Committee

FROM: Homeowner's Rehab, Inc.  
Peter Daly, Executive Director  
Jane Gronholm, Program Coordinator  
Deb Hall, Rehab Specialist

DATE: May 24, 1996

RE: Grant Proposal for FY 1996-1997

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Homeowner's Rehab, Inc. (HRI) is pleased to submit the enclosed grant proposals for fiscal year 1996-1997 for administrative support for the Home Improvement Program. The total request is \$15,000.00

We are requesting this support to administer existing loans and open new cases. Our request reflects our recognition that limited funds are available.

CURRENT: NCRLF EXISTING LOAN PORTFOLIO  
16 Loans total \$161,849 monthly loan servicing. Balance available for new loans \$60,893.

CURRENT: NC DISC. FUND - 4 loans total \$80,000 deferred loans.  
NC DISC. FUND - balance available for new loans \$39,708.

The Home Improvement Program is requesting no new funds to be added to the North Cambridge Revolving Loan Fund (NCRLF), the North Cambridge Discretionary Loan Fund (NC DISC FUND) or the North Cambridge Revolving Loan Fund.

Administrative funding for HIP staff will enable HRI to continue to assist North Cambridge residents in improving their homes.

INDEX:

Page 1: Cover Sheet  
Page 2 to 6: HIP Proposal  
Page 7 to 10: Attachment A

THIS AGENCY IS  
SUPPORTED BY



UNITED WAY  
OF MASSACHUSETTS

PROPOSAL FOR FUNDING  
HOME IMPROVEMENT PROGRAM  
IN NORTH CAMBRIDGE  
FOR FISCAL YEAR 1996-1997  
MAY, 1996

1. "DESCRIBE THE PROJECT INCLUDING GOALS AND OBJECTIVES."

The Home Improvement Program (HIP) now in its 20th year, assists lower income owners of 1-4 family houses correct health and safety code-related problems by providing affordable financing and extensive technical assistance. Repairs include fixing roofs, porches, electrical and plumbing systems, for example.

The objectives of the program are to improve and stabilize the community - to help people stay in their houses and to be able to make repairs which they otherwise would not be able to afford.

The North Cambridge Stabilization Committee created a low interest Revolving Loan Fund (NCRLF) in 1985. As of May 21, 1996, the balance of the NCRLF is \$60,893. In addition, because clients pay these loans back with interest, (the repayment records of HIP clients are excellent!) the loan fund has replenished itself by approximately \$3,000 per quarter during the last fiscal year.

In 1987 the NCSC also created the Discretionary Loan Fund (NCDF). Its goals are identical to the NCRLF, but its beneficiaries are needier. This deferred loan pool is set aside for low income residents who are unable to afford even a small monthly repayment. They have typically been elderly or disabled owners whose houses need significant amounts of work.

2. "A. OUTLINE ADMINISTRATIVE PROCEDURES, B. ELIGIBILITY REQUIREMENTS, AND C. OUTREACH TECHNIQUES"

- a. Administrative: The federal and state programs require substantial amounts of paperwork - documentation of owner income and expenses during the application process, written work specifications (instructions to contractors), contracts, and paperwork related to payments. The HRI staff acts as the owner's advocate, assisting homeowners through the process, regardless of education, or degree of physical impairment.
- b. Eligibility: This program is based on CDBG guidelines. An owner must have owned and lived in their 1-4 family house for at least a year. Their household's gross income (including

net rental income) must be below 80% of the median (average) household income, as defined by the Federal Housing and Urban Development Department (HUD). Currently, these are as follows:

To be eligible for the NCRLF, a household must be moderate income. These are the limits:

<u>Family Size</u>	<u>Income Limits for NCRLF</u>
1	\$29,000
2	33,300
3	37,450
4	41,600 etc.

To be eligible for the NCDF, a household must have low income. These limits are:

<u>Family Size</u>	<u>Income Limits for NCDF</u>
1	\$19,800
2	22,600
3	25,400
4	28,250

Households with higher incomes maybe eligible for Massachusetts Housing Finance Agency (MHFA) programs.

c. Outreach:

Community outreach is another important part of staffing duties. No program can be successful without the neighborhood it serves being aware of it's existence. Articles and press reports are released to the media on a regular basis. We leaflet neighborhoods through the mail, drop off flyers to libraries, laundromats, City buildings and send flyers home through the school system. Occasionally, we offer free workshops and regularly answer homeowners' repair questions over the phone. We contact churches, local banks and civic organizations to explain what the program offers. All of this takes significant amounts of time.

3. "DESCRIBE HOW THE PROJECT BENEFITS LOW/MODERATE INCOME RESIDENTS"

Eligible households are lent money according to their means. If an owner is on a fixed or otherwise limited income, we can provide a loan that has low interest (1% to prime), zero interest, or even has no payments (until the owner moves out or sells). The latter, deferred loans, are offered via the NCDF. In this way, the owner's housing repair costs can be affordable to lower income owners.

Low income and elderly people are the targets of unscrupulous contractors more often than higher income and younger homeowners. Some of our clients come to us after having had shoddy, overpriced work done by unqualified contractors. We take our clients through every step of construction project, bid the work out and make sure that the contractors who do the work are licensed and insured. Many people believe that the reason Cambridge did not experience a loan scam like the one that rocked Boston two years ago, causing some lower income residents to lose their homes, is because Cambridge residents have access to the HIP Program.

4. "DESCRIBE BENEFITS RECEIVED BY THE NEIGHBORHOOD"

The benefits to lower income people and the neighborhood walk hand in hand with the program objectives. Rehabilitating housing improves the quality of life of the people who live in the houses and of the neighborhood by removing unsafe aspects of that housing. Repairs in general usually improve the condition of a house (a paint job is an obvious example) and thus improve the neighborhood. Regardless, housing stock is maintained rather than being allowed to deteriorate.

The HIP Program stabilizes the neighborhood by enabling people otherwise unable to afford repairs to their homes to do so and avoid the consequence of selling their homes and leaving their neighborhood. Since people with low and moderate incomes often have tenants who have low and moderate incomes and, if the owner is able to stay, the tenants are, too. This is because it is likely that a new owner with a big mortgage will not be of low or moderate income, and the people who must pay the resulting higher rents won't be either.

5. BENEFITS

Over the last two years alone, the HIP Program in North Cambridge has served thirteen homeowners, totaling 29 units of improvement. These thirteen construction projects benefit homeowners, tenants and their neighbors by improving the properties with \$204,000 in home repairs.

Benefits include the ongoing serving of existing mortgages. Currently there are sixteen homeowners who make regular payments each month to the North Cambridge Revolving Loan Fund. These payments are used to replenish the NCRLF loan pool and used again on a new case.

6. "LINE ITEM BUDGET"  
TOTAL HIP REQUEST

\$15,000.00

From Fiscal Years 1984-1992 and the Fiscal Year 1993-1994 the NCSC funded one full time staff position (90% of the rehab specialist's salary, and 10% of the program coordinator's salary). We are requesting support to continue to administer these loan pools.

CURRENT LOAN POOLS:

NCRLF.....\$60,893  
NCDISC. FUND.....\$39,708

We currently have nine homeowner's who are applying for use of Home Improvement Program resources to perform repairs on their homes. There are currently five open cases, some of which will remain open after July 1, 1996.

The primary source of funding for the HIP Program is through the City of Cambridge. They provide most of the operating (administrative) funds for the program as well as the balance of funds for the HIP Loans not provided by NCSC. The City has level-funded the program for the past 5 years. Operating costs have increased, but funding has not. This means that we have experienced a cut of about 20% in administrative monies as well as funds available to loan to homeowners.

-	90% of salary and fringe for NC Rehab Specialist	\$14,000
-	<u>Administrative overhead (see below)*</u>	<u>1,000</u>
	Total Administrative	\$15,000

\* Administrative overhead includes:

- a. Salaries of financial department: They keep loan records, send out monthly statements, prepare year end interest summaries as required by law, and assist in preparing quarterly reports required by the City.
- b. Salary of our secretary: He types uncountable numbers of proposals (such as the one you have in your hands) letters, memos, loan documents, and helps us keep in touch with our clients, contractors and HIP Advisory Committee members.
- c. Operating support: Rental of office space, cost of insurance, audits, supplies, phones, postage, copying, etc.

7. "LIST OTHER FUNDING SOURCES AND AMOUNTS, WHERE APPROPRIATE. (FOR EXAMPLE, MATCHING FUNDS, LEVERAGED FUNDS, OR IN-KIND SERVICES, ETC.)"

The following list of Foundations and Organizations have been approached to provide operating support for the NCRL Fund.

	Amount of Request	Amount Committed
City of Cambridge:	\$24,600	under review
United Way:	7,500	rejected
Cambridge Community Foundation:	15,000	\$3,000
Loomis Foundation:	10,000	submitted
Polariod Foundation:	10,000	rejected
Clipper Ship Foundation:	10,000	rejected
NC Stabilization Committee:	15,000	submitted
Hyams Foundation:	15,000	under review

8. "PREVIOUS ACCOMPLISHMENTS"

Over the last five years the Home Improvement Program has provided technical assistance for North Cambridge households benefiting a total of 67 units. These 35 projects represent a total of \$797,300 of construction improvements in your neighborhood.

9. "DESCRIBE HOW ON-GOING MAINTENANCE FOR THE PROJECT, IF REQUIRED, WILL BE CARRIED OUT"

Once construction work is completed, HRI maintains contact with clients with scheduled payback loans, and prepares year end summaries of interest paid.

Clients are welcome to keep in touch with us ( and often do) to ask technical questions, get contractor referrals, and after several years, apply for further Home Improvement Program assistance.

10. "IF APPLICABLE, DESCRIBE AGREEMENTS MADE WITH OTHER AGENCIES WHICH MAY HAVE JURISDICTION OVER A PART OF THE PROJECT"

The HIP program is subcontracted out to HRI by the City of Cambridge. They monitor our work to make sure that only eligible homeowners are assisted, and that work done is appropriate and well done. The City has always been satisfied with the quality of work provided by the HIP program.

ATTACHMENT A  
HIP ADMINISTRATIVE SERVICES

- (1) OUTREACH
- (2) INDIVIDUAL OUTREACH
- (3) ELIGIBILITY
  - a. INCOME
  - b. REPAIRS
- (4) APPROVAL PROCESS
- (5) LOAN CLOSING
- (6) CONSTRUCTION PHASE
- (7) LOAN SERVICING
- (8) AFTER CONSTRUCTION
- (9) PROGRAM FUNDRAISING

(1) OUTREACH

- Publish public service announcements newspapers, newsletters cable T.V.
- Flyer the neighborhood door-to-door about the HIP program and upcoming workshops.
- Post flyers at City Hall, libraries, laundromats, etc.
- Run educational and informational workshops at community locations.
- Appear on local cable TV with homeowners who have used the program.
- Talk with community leaders, community organizations and service providers about the HIP program, e.g. Visiting Nurses, elder service workers.

(2) INDIVIDUAL OUTREACH

- Complete a request for services form for every inquiry.
- Provide information and referral services.
- Follow up every initial contact with additional phone calls, letters and conversations with family members. Often a homeowner talks with us several times prior to making a decision about applying for the HIP Program.
- All inquiries are kept on file and homeowners continue to hear about new programs or upcoming workshops.

(3) APPLICATION PROCESS

A. Income Eligibility:

- Determine eligibility based on CDBG guidelines.
- Send application package and or set an appointment to help the homeowner complete the application.

Application Package:

- 1) Cover letter.
- 2) List of documents required.
- 3) Application.

- Complete all verification forms with homeowner to establish independent verification of application information.  
Verifications of:
  - 1) Ownership
  - 2) Employment
  - 3) Social Security
  - 4) Mortgage
  - 5) Bank Accounts
  - 6) Rental income
- Perform title exam. Help clear title if necessary.
- Perform credit check if required.
- Formalize HRI's role as technical advisor by completing Contract for Services form.
- Complete Affordable Rent Policy Form to clarify HRI's and the homeowner's commitment to keeping rents affordable.

B. ELIGIBLE REPAIRS

- Determine eligibility based on CDBG guidelines.
- Perform interior and exterior inspection of the house, including all tenants' apartments.
- Inform the homeowner and tenants of lead paint hazards and complete the lead paint notification form.
- Inform the homeowner of energy conservation measures and complete energy conservation form.
- Assess noise level and complete noise assessment form.
- Complete Cambridge Historical Commission Section 106 form.
- Estimate scope of work.
- Determine potential resources in addition to HIP loan. e.g. Cambridge Historical Commission, personal resources, MHFA lead removal program, College volunteer program, etc.
- Work with the homeowner to make decisions about what work can be done now and what work may have to wait until there is more money available.

(4) APPROVAL PROCESS

- Bring the case to the HIP Advisory Committee by using the standardized HIP Review Form.
- Bring the case to the City of Cambridge Community Development Department.
- If the request is for NC Discretionary Fund, bring case to the North Cambridge Housing Subcommittee.

(5) LOAN CLOSING

- Send a Letter of Commitment from HRI to the homeowner.
- Write construction specifications.
- Send job specifications to contractors and show job to each.

- Owner selects winning bidder.
- Scope of work is defined with owner.
- Negotiate final contract with owner and contractor.
- Adjust specs, establish final price.
- Repeat process if there is more than one trade, e.g. painting, electrical, plumbing.
- Determine other resources to be used.
- Figure final loan amount.
- Work up loan documents, arrange notary, close loan, wait 3 days.
- File mortgage at Registry of Deeds.
- Requisition funds from City. Escrow money at HRI.

(6) CONSTRUCTION PHASE

- Homeowner and contractor sign construction contract.
- Collect contractor's insurance certification and permits if not already on file. Wait three days.
- To go job site every day as technical advisor to homeowner.
- Negotiate change orders with contractor and homeowner.
- Issue payments to the contractor as per contract agreement.
- Verify that the Building Department has inspected the work.
- Keep a record of balance in account, informing homeowner of balance available for potential change orders.
- Make final payment to contractor.
- Make copies of all construction and payment documents for homeowner's records.
- Additional funds remaining to be used to pay back principal.

(7) LOAN SERVICING

- Send monthly statements to homeowner.
- Send late notices for any delinquent accounts.
- If payments are frequently late or not paid consult with the homeowner to determine if there is a claim of verifiable hardship and negotiate a new commitment that is agreeable to HRI and the homeowner.
- Discharge mortgages once they have been completely paid in full.
- Keep ongoing records of all loans.
- Review homeowner's insurance policies to verify that they are sufficient and being paid.

(8) AFTER CONSTRUCTION

- Some homeowners continue to carry on an ongoing relationship with HRI. Contact ranges from purely informational as in providing a contractor referral, to working through a construction, insurance or property ownership problem.

(9) PROGRAM FUNDRAISING

- Contact fundraising sources.
- Write and submit appropriate funding request proposals.
- Meet with prospective funding organization staff as needed, to answer questions and concerns.



CITY OF CAMBRIDGE  
COMMUNITY DEVELOPMENT DEPARTMENT

SUSAN B. SCHLESINGER,  
Assistant City Manager for  
Community Development

June 20, 1996

Craig Kelley, Chair  
North Cambridge Stabilization Committee  
6 Saint Gerard Terrace  
Cambridge, MA 02140

Dear Craig,

I am responding to your letter of June 16th.

Last year the City committed \$13,800 toward funding the Homeowners Rehab, Inc. - Home Improvement Program staff position. This staff person works with low and moderate North Cambridge homeowners to ensure that they receive high quality rehabilitation assistance as well as low interest loan funds. Historically, this position was fully funded by the Stabilization Committee, however last year the Committee chose not to allocate monies adequate to fully fund the staff position. It was in this context, that the City agreed to match the partial Stabilization fundings.

Once again, the City is willing to match Stabilization funds to ensure services to North Cambridge homeowners continue. In terms of your request to use proceeds from the Clarendon Street sale to fund this position, that is acceptable. I also am aware that you have \$54,295 in funds which you are currently allocating and could choose to use to fund this position in part or whole.

I refer you to my letter of June 6, 1994 (attached) to answer your question about the use of affordable housing funds for other activities. Unless there is a clear demonstration of lack of need for funding for affordable housing activities, the presumption is that funds originally allocated for this use will continue to be used for affordable housing activities.

In terms of sales of H.I.P. loans, I would need more detail to evaluate the relative value of sale versus continuing to have the funds act as a revolving loan fund which was the original intent of the funds. Generally, sales of low interest loans do not generate significant capital because of the discount involved. In any case, the funds realized by any loan sale must continue to be used for affordable housing.

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City Hall Annex  
57 Inman Street  
Cambridge, MA 02139  
617 349-4600  
Fax: 617 349-4669

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My understanding is that the demand for Home Improvement loans in North Cambridge remains strong. The funds the Committee has allocated to this Program over the years have not only assisted individual low and moderate income homeowners, often elderly, to stay in their homes, but have contributed to the overall stabilization of the community. The Committee has shown foresight in establishing revolving loan funds which will continue to provide funding for these important affordable housing activities for the long term.

Please let me know if I can be of further assistance. I am hopeful these issues can be resolved quickly so there will be no interruption in services to North Cambridge residents.

Sincerely,



Susan B. Schlesinger  
Assistant City Manager for Community Development

SBS:jmc

Attachment

North Cambridge Stabilization Committee  
6 St. Gerard Terrace, Cambridge, MA 02140

Representative Alice Wolf  
Massachusetts State House

*Via fax*

19 December, 2001

**Re: Maureen Ford and Homeowners' Rehab, Inc.**

Dear Alice:

I understand you are already somewhat familiar with Maureen Ford's problems with HRI at her house on Brookford Street in North Cambridge. Dick Clarey and myself, on behalf of the Stabilization Committee, have spent some time reviewing her issues and we are asking you to actively intercede on Maureen's behalf.

As you may know, Maureen is a single mom who is disabled and suffers from cancer. What you may not know is that Maureen worked for Polaroid, through whom she got her disability benefits. With Polaroid's bankruptcy, Maureen is going to have much more trouble covering her medical bills, much less dealing with HRI's awful attempts to get her to pay for work that was improperly specified, supervised and performed at her house.

I have reviewed numerous documents that Maureen gave me concerning HRI's project at her house. Dick has reviewed many of these documents as well and has also visited her house (he lives down the street) and he has seen the shoddy work carried out under HRI's program. It seems clear that, far from being an effective agent for the homeowner, HRI put together a poorly designed plan to rehab Maureen's house, did a lousy job of supervising the contractors it sent her way and is trying to stick this poor woman for a huge bill for unsatisfactory work. To add insult to injury, the amount of time Maureen, who is frequently ill, has had to spend trying to remedy this mess and respond to HRI's "punchlists" has been a terrible burden on her. And all of this, as I understand HRI's finances, while the corporation sits on a bankroll of millions of dollars.

To put it mildly, Maureen is getting a raw deal. HRI can hide behind a "hold harmless" clause in the documents Maureen signed in order to work with the company, but at the same time appears to suffer from a conflict of interest in how it gets and outsources work. Poor Maureen, who simply wanted some work done on her house, winds up holding the bag for everyone.

Dick and I would welcome the opportunity to talk with you in the immediate future about Maureen's case and HRI in general. It is our hope, and the hope of the NCSC, that you can help convince HRI that it is in their best interest to forgive any money they believe Maureen owes them and concentrate on providing better service to future clients.

Please feel free to call me at 354-8353 (h) or at work (978-796-2512) to discuss this issue.

As always, our best to Bob and we hope you're enjoying the holiday season.

Sincerely,

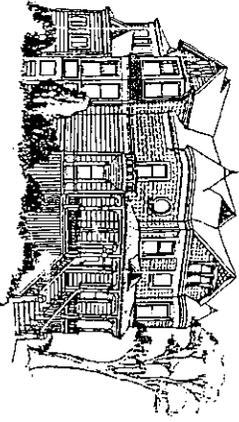


Craig A. Kelley

**APPLICATION PROCESS**

Application forms for HHP services are available through the HRI office at selected times of the year. The registrant must supply information on his or her financial status and homeownership documentation. A staff person will assist in completing the application form. After that, HRI will:

- inspect the home;
  - arrange for an energy audit;
  - decide with the applicant the work needed;
  - determine applicant eligibility and what assistance is available for the work needed;
  - prepare, for approval of the applicant, a list of repairs to be done (specifications);
  - prepare necessary bid documents;
  - assist with contractor selection;
  - arrange for loan or grant closing;
  - make periodic inspections of the work as it progresses;
  - process payments for contractors.
- Because HRI's loan pool funds each year are limited, not all applicants can be serviced. If funds are not immediately available, the application will be put on a waiting list.
- Payments will not be made for work undertaken or contracted before the registration is processed.**



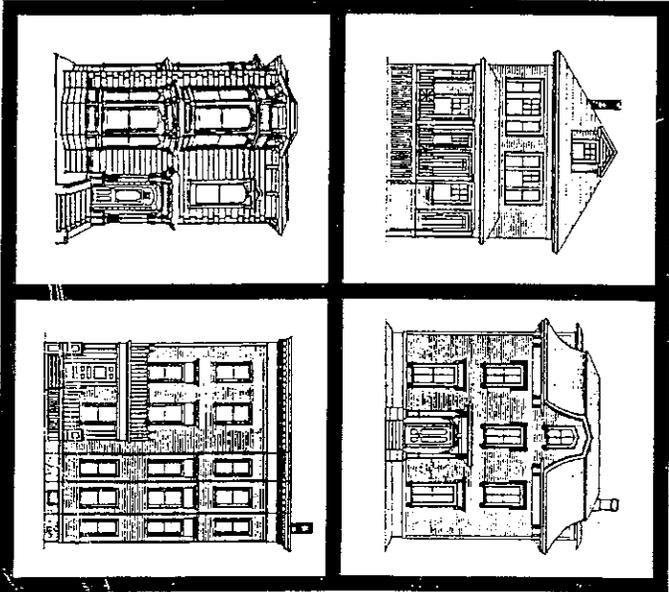
HRI is an equal opportunity agency, providing services to eligible persons without regard to race, national origin, sex, age or handicap.

02140 + 14 13

KELLEY, CRAIG A. & HOPE  
6 ST GERARD TERR  
CAMBRIDGE, MA. 02140

**HOMEOOWNER'S REHAB, INC.**  
280 Franklin St.  
Cambridge, Massachusetts 02139  
(617) 868-4858

**HOME IMPROVEMENT PROGRAM**



**HOMEOOWNER'S REHAB, INC.**  
280 Franklin St.  
Cambridge, Massachusetts 02139  
(617) 868-4858



## HOME IMPROVEMENT PROGRAM

Homeowners Rehab, Inc. (HRI) is a community-based non-profit organization which provides housing services emphasizing self-help to residents of Cambridge. Our goal is to encourage renovation of properties and improvement of neighborhoods for the benefit of residents with limited means. The majority of our work is with projects in North Cambridge, in "Area 4" (the area bounded by Broadway, Prospect Street, Mass. Ave. and Vassar St.), and throughout mid-Cambridge.

This brochure describes the Home Improvement Program (HIP), administered by HRI.

The organization also operates a Homeownership and development program and is affiliated with the Cambridge Neighborhood Apartment Housing Services, Inc. HRI is federally funded through the City of Cambridge's Community Development Block Grant program. HRI's Board of Directors consists of people who live or work in Cambridge and who are concerned with neighborhood revitalization in this City.

Other funding for this program is made available through the Area 4 Coalition, the North Cambridge Stabilization Committee, the Cambridge Community Foundation, the Sheila Gamble Fund and Fleet Bank.

## ELIGIBILITY

HRI's Home Improvement Program serves low to moderate income resident homeowners of one- to four-family houses in our target areas of Cambridge. HIP has the following criteria for eligibility:

- the homeowner's income must fall within a specific range set forth by the Community Development Block Grant program (see table);
- the house must be owner occupied;
- the applicant must have owned his or her house for at least one year; and
- at least 50% of the floor area must be residential.

## INCOME LIMITS\*

Family Size	Low Income	Moderate Income
1	25,950	40,800
2	29,700	46,650
3	33,400	52,500
4	37,100	58,300
5	40,050	63,000
6	43,050	67,650
7	46,000	72,300
8	48,950	77,000

\*Includes gross income from all sources of adult household members. These income limits are revised from time to time. The above figures are effective as of 2/28/02.

## HOME IMPROVEMENT LOAN

Low to moderate income owners may receive either a scheduled payment loan or a deferred loan, depending on income, through the Home Improvement Program. Loans are secured by a mortgage on the property.

Scheduled payment loans are designed with terms that are affordable to the owner, with a maximum loan per year of \$30,000 and a maximum term of 20 years.

Low income owners may be eligible for a deferred loan. Interest may be charged on these loans and payment is due when the property ownership is transferred or when the owner chooses not to live there any more.

Because of the huge demands for Home Improvement Program funds, the maximum loan amounts are rarely given. Low income owners with assistance needs of \$1,000 or less may be eligible for an outright grant.

## MHFA LOAN

If your income is over moderate income you may be eligible for a Massachusetts Housing Finance Agency (MHFA) loan. These secured loans are funded by MHFA and are disbursed and serviced by a local lending institution, which determines final loan eligibility. The Home Improvement Program staff can assist the homeowner in the application and construction process.

## TECHNICAL AND FINANCIAL SERVICES PROVIDED

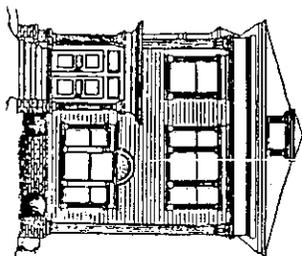
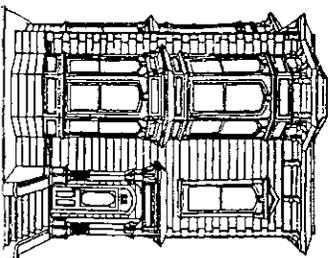
Advice to eligible homeowners on financing, contractor selection, and technical matters is provided free of charge.

## SCOPE OF REHAB WORK DONE

HIP is a moderate rehab program. Priority is given to the following rehab needs:

- health and safety hazards;
- weatherization and energy conserving improvements;
- lead paint hazards;
- remodeling to accommodate the handicapped;
- exterior upgrading.

Our services and funds are often coordinated with those of the Cambridge Historical Commission, City Energy Programs, Just-A-Start work crews, and other resources as they become available.



# Does your house need fixing?



## YES?

Then you may be eligible for a low interest or deferred payment loan - affordable no matter how limited your funds may be.

## WHO QUALIFIES?

You do if you own and live in a one to four unit house and your household income, including rents, is not over:

people in household	maximum income
1	29,100
2	33,300
3	37,450
4	41,600

\*If your income is up to \$50,000 for 2 people, or \$57,000 for 3 or more, you may qualify for an MHFA program.

## WHAT QUALIFIES?

Roofs, porches, electrical & plumbing, exterior painting, improvements for handicapped, insulating, etc.

## WHO RUNS THE PROGRAM?

The program, which is federally funded, is 21 years old. Homeowner's Rehab, Inc. has a contract with the City of Cambridge to run this rehab program. It can help the owner not only finance the repairs, but offer technical assistance as well, including home inspections, estimates, finding qualified contractors and monitoring the work daily.

Interested? Call Homeowner's Rehab  
868-4858

Ask for Deb Hall

Homeowner's Rehab is an equal opportunity lender.

\*\*\*\* Confidentiality assured.\*\*\*\*



EQUAL HOUSING  
OPPORTUNITY

## North Cambridge Stabilization Committee

Peter Daly  
Homeowners Rehab, Inc.  
280 Franklin Street  
Cambridge, MA

28 January, 2002

Dear Peter:

Thank you very much for attending the North Cambridge Stabilization Committee (NCSC) meeting of 23 January, 2002. I and the other members of the Committee learned quite a bit about HRI that we found very interesting.

However, the Committee remains very disturbed by the work that HRI is involved in at 34 Brookford Street in North Cambridge. As you know, Maureen Ford is not at all happy with the work HRI coordinated and, after having discussed this issue with both you and her last Wednesday, it seems very clear there is a lot for her to be unhappy about. In particular, while it is the contractors who actually did the bad work, there appear to be several instances where HRI's employees or agents simply did not do their job properly and now it is Maureen who must bear the brunt of making things whole. The following letter discusses some of these issues. Please be note that any references to you are solely meant in the context of your position within HRI (to some extent, the references are interchangeable) and are not to be construed as remarks on any other aspect of your life.

Perhaps chief among the issues that bother the NCSC is the difficult time HRI seems to have communicating, initially with Maureen and now with the Committee. For example, both myself and Maureen were told to make sure she gave you a brief list of what she thought should be paid, or not paid, to each contractor and how much she thought she deserved in damages. This letter was to be very brief, we were told. Then, at the NCSC meeting, you told Maureen she had to draft yet another letter to each contractor stating the deficiencies of the work involved. It seems, from our perspective at any rate, that you could have told her exactly what she needed to do ahead of time, instead of having her do something that was, apparently, somewhat irrelevant. It is a huge strain on Maureen to have to respond to your requests for more information and documents. To be honest, it looks, from Maureen's perspective at least, like you're playing mind games with her, hoping to wear down a sick, disabled woman by making new requests for information and letters when she feels she's already given you what you previously asked for.

Similarly, when we asked you what the bottom-line on HRI's recent non-profit filings, the 990s, were, you could not recall. Subsequent to the meeting, I looked at HRI's 1999 990 and saw the bottom line (essentially assets minus liabilities) was *close to nine million dollars*. And the name at the bottom of the sheet (the signature was redacted) was yours. To have, apparently, signed a 990 for almost nine million dollars and not remember that number less than 2 years later seems incredulous. In short, if these two examples of your communication

efforts are demonstrative of how communication has been carried out regarding this issue, then it is clear some work needs to be done in that area if we are to resolve Ms. Ford's problems efficiently.

I could go on at length about the atrocious work done at Ms. Ford's house. But what is, in our opinion, even more egregious, is that Ms. Ford specifically went to HRI because she, as many of your clients do, looked to HRI to provide some sort of competent oversight to the work being done at her house. Ms. Ford has been very ill for years and she realized that, given her poor health and lack of technical expertise, organizing a complicated home improvement project would be difficult, if not impossible, for her to do. Yet, and to Ms. Ford's great detriment, HRI's oversight appears to have been surprisingly incompetent. Despite the presence of an HRI employee on site on a regular basis, the contractors were allowed to do substandard, and in some cases destructive and counter-productive, work. In fact, Ms. Ford may very well have to spend considerable sums of money just to fix work the HRI-coordinated contractors did improperly. The following are some examples:

- Work on the lally column was allowed to start without the contractor having a building permit. This work appears to have been in complete violation of HRI's contract which (in draft form, at least) states that the contractor must provide HRI with a building permit before starting work. Without a building permit, the contractor did not need to worry about the City Building Inspector showing up to inspect the work. When Ms. Ford pushed the point and finally forced the contractor to get a permit, the Inspector showed up and, it turned out, found the lally column had not been installed properly.
- The first painter did such a poor job of painting that he actually painted over small pieces of vegetative debris rather than moving them and painting over a clean, prepared surface. Ms. Ford has pictures documenting this. There are also concerns that this painter did not properly caulk, resulting in leaks and subsequent water damage.
- Noblin & Associates structural evaluation, coordinated by HRI, specifically notes the "water infiltration" through the newer parts of the foundation (the report includes a picture of this leak), yet at our meeting you specifically said Maureen did not tell you about the leak when figuring out what work needed to be done at her house. The result is that the contractor installed a massive berm around much of the house that creates a dam of sorts pooling water by the original, and unaddressed, leak. If the report coordinated by HRI is not enough to tell you what needs to be done, then it is difficult to imagine what you *would* understand. Further, given the fact that the contractor installed the lally column improperly, it is hard to believe (absent better documentation) that the berm was properly built. And, to add insult to injury, the contractor, working while Ms. Ford was away for medical reasons, damaged the neighbor's yard with building debris, exposing Ms. Ford to possible legal action to fix those damages.

- Your office sent out a “punchlist” to the contractors, suggesting payment for certain work without getting approval from Ms. Ford first. Therefore, Ms. Ford is in the awkward situation of having to explain why she thinks some work was unsatisfactory *after* your office has indicated the work should be approved. Even though you state that it is Ms. Ford’s final opinion that determines payment, it is difficult to understand how HRI could have sent such a punchlist with a favorable recommendation given Ms. Ford’s voluminous files on the work’s deficiencies.
- Paint waste that very well may have been both flammable and hazardous was left in Ms. Ford’s basement, near the furnace. Ms. Ford had to investigate possible disposal options before HRI’s employees, apparently, took this waste back to the HRI office. As an aside, given the potentially hazardous nature of this waste (my memory is that Ms. Ford was quoted something like \$1200 dollars as a disposal fee for this waste, but I’m not entirely sure of that), I wonder what sort of TSDf and hazardous waste transportation requirements must be met in such a situation. Could you please investigate and let me know how much waste was transported and disposed of and how it was tested and classified prior to such transportation and disposal. Should it be appropriate, I would appreciate copies of HRI’s hazardous waste Transportation, Storage and Disposal Facility certificates, along with relevant training certificates to carry out any necessary hazardous waste operations. I am not suggesting that HRI employees actually did anything illegal, but since I am unclear on the applicable legal requirements here I would appreciate some clarification so I will better understand similar issues in the future.

At our meeting you stated that you thought HRI had done a “credible job” on Ms. Ford’s project. Given the self-described “living hell” Ms. Ford says (and thoroughly documents) that this project has put her through, it is impossible for the Committee to understand how you could consider your office’s work “credible” in this case. Furthermore, given the roughly \$400,000 dollars the NCSC has invested in HRI’s work, it makes us wonder what other such “credible” work HRI is doing, possibly with NCSC dollars.

It seems the proper thing for HRI to do now is to make Ms. Ford whole. As a cancer survivor, she is constantly in the hospital or ill at home, and she has better things to do than to have her health further wracked by worry about how the HRI-coordinated home improvement project is ruining her life.

It is also, we believe, important for HRI to thoroughly review this matter with its employees and determine what went wrong, counsel employees as appropriate and put in place procedures (or enforce existing procedures) to make sure no one else is put through a “living hell” while working through HRI.

Please rest assured that the NCSC, with its considerable resources, will not let Ms. Ford be victimized by a multi-million dollar organization, no matter how noble that organization’s stated corporate goals. We will do whatever is in our power to ensure that Ms. Ford is made

whole and that HRI's future operations in North Cambridge do not lead to such angst for those involved.

Should you have any questions concerning this memorandum or the NCSC's concerns about Ms. Ford's project with HRI, please feel free to give me a call at 978-796-2512 or to contact me via email at [Votecraig@att.net](mailto:Votecraig@att.net).

I look forward to working with you and the rest of the HRI staff to assure Ms. Ford's HRI project is brought to a swift, appropriate and, hopefully, painless solution.

Sincerely,



Craig A. Kelley

Chair,

NCSC

6 St. Gerard Terrace

Cambridge, MA 02140



## CITY OF CAMBRIDGE • EXECUTIVE DEPARTMENT

Robert W. Healy, City Manager

Richard C. Rossi, Deputy City Manager

February 28, 2006

THIS JUST  
TALKING  
AFF HOUSING

To the Honorable, the City Council:

In response to Council Order No. 11, dated 9/26/05 and Council Order No. 9, dated 1/23/06, relative to the comprehensive housing policy, Assistant City Manager for Community Development Beth Rubenstein reports the following:

Housing affordability has been a continuing issue for low and moderate-income Cambridge residents. In recent years, we have seen unprecedented increases in the costs of rental and homeownership housing. High rents and sales prices, condo conversion, and diminishing federal and state housing subsidies have forced many low and moderate-income families to make difficult decisions, with some choosing to leave our community and move to areas with lower housing costs. Meanwhile, the increasing cost of land, scarcity of available sites, and escalating construction costs have made the creation of affordable housing increasingly challenging.

The City Council has recognized these serious challenges and has made affordable housing its highest priority goal for many years. Since the end of rent control in the mid-1990's, this has resulted in an unparalleled commitment by the City to affordable housing and to a comprehensive housing policy which addresses the housing needs of Cambridge residents.

The City's overarching goal is to provide a variety of housing resources to help low and moderate-income residents, and particularly families, remain in the City. With strong support from the City Council, and with assistance from the Affordable Housing Trust, the Cambridge Housing Authority, and local non-profit housing agencies, the City offers a wide variety of programs to serve a range of income-levels and household sizes of the City's residents. These efforts fall within the following areas:

- Creation and Preservation of Affordable Rental and Homeownership Housing
- First Time Homebuyer Education, Counseling and Financial Assistance
- Home Improvement Programs
- Program and Policy Development
- Outreach and Referral Services

## **Creation and Preservation of Affordable Rental and Homeownership Housing**

The creation of new affordable units is achieved primarily through funding from the Affordable Housing Trust and, since 1998, through compliance with the Inclusionary Zoning Ordinance. Since the end of rent control, the City has been successful in preserving and creating more than 2,700 affordable units in addition to the more than 300 units that have been created by the Inclusionary Zoning Ordinance.

The Affordable Housing Trust was created in 1989 to address the City's affordable housing crisis and is charged with supporting the preservation and creation of affordable housing units. The Trust administers funds received through the Community Preservation Act, local tax dollars, the Incentive Zoning Ordinance, and the Harvard 20/20/2000 Loan Fund, and uses these funds to finance new affordable units. With these funds, several local non-profit housing agencies, including Just A Start Corporation, Homeowners Rehab Inc., CASCAP, and the Cambridge Housing Authority acquire and rehabilitate existing buildings to create new affordable units, convert non-residential buildings to affordable housing, and undertake new construction projects to create new housing that is kept affordable through long-term deed restrictions. The City staff also works to preserve existing housing with expiring affordability restrictions. Trust funds are used in combination with other public and private funds to leverage the City's investment.

Affordable housing projects currently underway include Just A Start's Columbia Court (13 units), Gateview Condominiums at 2495 Mass. Ave, (14 units) and Alewife Brook Condominiums at the former Joyce Chen property (8 units), Homeowners Rehab's Trolley Square (32 rental and 8 ownership units) and Howard Street (6 units) projects, CASCAP's new development at the former Aristocrat Printing property on Harvard Street (approximately 30 units), and Shelter, Inc.'s 14-unit SRO on Concord Avenue. City and non-profit staff continuously evaluate new acquisition and development opportunities and in recent months have been successful in bringing several new developments into the pipeline.

The Inclusionary Zoning Ordinance has also become an important tool to assist in adding new affordable units to the City's housing stock. The ordinance requires residential developments of ten or more units, whether new construction or conversion of a commercial/industrial building to a residential use, to make 15 percent of the units affordable. Since the Ordinance was adopted in 1998, more than 340 new affordable units have been created or are under construction around the City. Recently completed projects involving inclusionary zoning requirements include Brickworks and the Aberdeen Lofts, which created 18 and 6 affordable ownership units respectively. Also in the pipeline are the Residences at Kendall Square (40 affordable units), One First Street (23 affordable units), Buildings S & T at North Point (38 affordable units), and the first phase of the Archstone-Smith North Point development (52 affordable units) as well as many smaller developments under construction around the City. Staff are also now working with developers on several new projects moving through the permitting process.

Beyond creating new affordable units, there is also the challenge of preserving affordable units at risk of losing their affordability. Many larger residential projects were built in the 1970s and 1980s with affordability restrictions that expire. The City's housing preservation strategy includes enforcing local use restrictions resulting from zoning or tax agreements and working

with owners and others to extend the term of affordability of these units. To date, the City has been successful in preserving more than 1,300 units with expiring affordability terms.

### **First Time Homebuyer Education, Counseling and Financial Assistance Programs**

The City provides a comprehensive homebuyer education and assistance program. The Community Development Department's Housing Division offers free classes for first-time homebuyers regularly throughout the year. Special classes, such as purchasing multi-family properties and classes in Spanish and Creole, are also offered. One on one counseling is available to assist class graduates with all aspects of the home buying process and to explain special mortgage programs for homebuyers available through the state, local banks, and the City.

The City also offers need-based financial assistance for income-eligible first-time homebuyers. Under this program, down payment and closing cost assistance, as well as deferred financing of up to \$130,000, is made available to eligible residents. Participants can then search for housing on the open market knowing that financial assistance from the City will be available once they identify a unit. Financial assistance for home buying is available for all Cambridge residents earning up to 100 percent of the area median income, currently \$82,700 for a family of four. Units receiving such assistance are kept permanently affordable through a deed restriction.

### **Home Improvement Programs**

The City offers home improvement programs to low and moderate-income Cambridge homeowners and owners of affordable multi-family rental properties. These programs, which offer low-interest and deferred rehabilitation loans and technical assistance, are managed by Just A Start and Homeowners Rehab, and are successful in preserving housing that might otherwise not be able to support rehab expenses. These programs are particularly successful in stabilizing the occupancy of low and moderate-income homeowners and assisting with much-needed building improvements.

### **Program and Policy Development**

The Department also works on program and policy development. These efforts include creating programs such as the First-time Homebuyer Financial Assistance Program, analyzing the housing market, evaluating the impact of proposed zoning changes on affordable housing, researching new sources of funding for housing, and continually examining housing program policies and guidelines. Recent efforts have included creating a pilot program to make homeownership opportunities affordable to families with lower incomes and researching best practices and resources available for combining affordable housing and green building technologies.

### **Referral Services and Outreach**

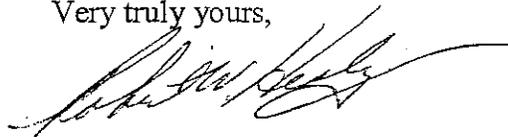
The Department provides referral services to Cambridge residents directing them to organizations that can assist them with various housing and social service issues, such as

individual counseling on housing, special mortgage products carried by local lenders or state sponsored programs, or information on local private developers that own and manage affordable rental housing. The City also supports tenant/landlord mediation services through Just A Start and through the Cambridge Economic Opportunity Committee, which works directly with tenants living in expiring use buildings in danger of being converted to market-rate housing.

The Community Development Department makes every effort to respond to the needs of Cambridge residents and educate them about all of these available housing opportunities and services. The Housing Division's brochure and the Department's website are helpful resources, outlining all of the programs and resources in the City and listing currently available affordable residential units and the schedule of the upcoming homebuyer classes. The brochure is also available in Spanish and Haitian Creole. Staff from the Housing Division also attend community meetings and housing events throughout the City to more widely publicize housing opportunities, programs, and services.

Each year, Cambridge residents have opportunities to comment on how funds should be used for City housing programs. The Community Preservation Act (CPA) Committee holds an annual hearing to hear comments on housing need as it makes its recommendation on how CPA funds should be allocated for affordable housing. The City also hosts a public meeting as part of the Consolidated Plan and One-Year Action Plan development process. The most recent five-year Consolidated Plan, which was completed last year, provides more detail on housing needs, policies, and program goals and is available at [http://www.cambridgema.gov/~CDD/cdbg/5yrplan/cdbg\\_5yrplan.html](http://www.cambridgema.gov/~CDD/cdbg/5yrplan/cdbg_5yrplan.html).

Very truly yours,



Robert W. Healy  
City Manager

RWH/mec

May 19, 2006

Ms. Shirley Graham  
48 Kinnaird Street  
Cambridge, MA 02139

**RE: 48 Kinnaird Street, Cambridge**

Dear Ms. Graham:

This report documents our observations made on May 12, 2006 during our visit to the referenced address.

This report is based on our observations, qualifications, and information provided to us during this visit. It does not claim to be an itemization of all structural problems, and is intended only to provide the client with a general idea of the structural problems observed during the walk-through inspection.

We recommend that the report be read while visiting the site with the pictures taken during our site visit to better understand the conditions.

#### OBSERVATIONS AND RECOMMENDATIONS

The purpose of this visit was your concern about recent movement that occurred in this building.

Upon looking at the borings, we noticed that the good soil was approximately 14' deep, and this is the reason why recent beams and columns had been introduced in the basement of this house.

Upon going to the basement, we noticed there was a large girder with three columns that had been introduced at one of the bearing lines of this house. Unfortunately, the joists are made of 2 x 8's spanning 13' approximately on the right, 14' on the left of the building, and they are 2' on center. Furthermore, on the left portion of the building substantial openings are creating heavy loads to another girder in this basement that has not been re-supported or reinforced.

This creates a situation where this building is substantially underdesigned, and this is why at least another line of bearing had been introduced before to cut the span, (the 14' plus span on the left).

Unfortunately, the new construction dealt with the center bearing line only and not with any other bearing line, leaving these joists very badly underdesigned. We noticed that the old line of bearing had settled, and at many points, there was no contact between the old beams and the joists. We also noticed that the joist

hangers supporting the joists to the new nailer on top of the beam were extremely improperly and unprofessionally erected, as one could see in several pictures we took. (missing nails or bolts, improper hangers, etc.). We took a picture of only some of the conditions to illustrate this report.

It is our professional opinion, that the situation is very improper and that the settlement will continue to occur, particularly on the left side where the 14' is much too long for the 2 x 8 joist. The 13' is also underdesigned but not to a point as bad as the left side of the building.

 We are particularly concerned in one of the areas adjacent to an opening in the floor where the header is supported by a single 2 x 8. This 2 x 8 is extremely underdesigned, and as a result, it has badly cracked. The situation is hazardous and should be shored immediately.

As we proceeded to the upper floor, we noticed that the deflection has exaggerated upon going up. The problem is compounded by the fact that the joists on the upper floor are still most likely the same size. This is compounded by the fact that the stairs are cutting the joists bringing some load into some partitions that are not properly supported below. It has to be underlined that the joists being only 2 x 8 are making use of any partition that would be perpendicular to them under the roof and the upper floors. Unfortunately, there is no proper beam in the basement to support these walls; therefore, they are pushing down on the first floor joists creating the situation described above.

It will be important to make sure that the joists are properly reinforced or that the partitions or beams will be taken into consideration, as bearing of the joists and properly supported at the lower level. At least, a new beam supported on deep footing needs to be introduced in the basement (as well as miscellaneous reinforcement).

In light of the above observations, it is our professional recommendation that a full structural investigation be conducted to reinforce and to repair the structures of this building. We recommend that structural plans be drawn indicating the structures as they existed at the time of the investigation and including all new reinforcements necessary to bring the structures up to Code. Such plans would be useful in that:

- They would allow necessary permits to be obtained for the repair work.
- They would provide a good way to estimate the work to be executed.
- They would document the executed work for future reference, such as in the event of later alterations to the building.

It is also important that the Structural Engineer visit the site during construction to verify its compliance with the plans and structural recommendations.

This report addresses only those structural problems observed during the walk-through and documented above. Since few structures were exposed during the visit, other structural problems may be concealed behind finishes, plaster ceilings, and walls. We did not implement computations or verify compliance with earthquake code regulations, and do not claim that the observed structural members are of the proper size and properly transmit the load from floor to floor.

The Structural Engineer is not responsible for determining the existence of insect infestation and waterproofing.

This report and analysis is based upon observations of the visible and apparent condition of the building and its major components on the date of this inspection. Although care was taken to perform a proper and thorough inspection, we make no representation regarding the existence of latent or concealed defects. No warranty or guarantee is expressed or implied with any structure. We do not take responsibility for the capacity of stairs, banisters, and handrails. This report is made only in the best exercise of our ability and judgment.

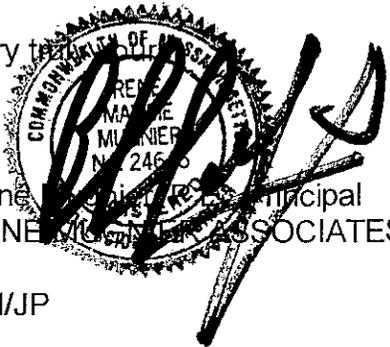
Conclusions in this report are based on the normal working life of various structural items. Predictions of life expectancy and the balance of useful life are necessarily based on industry and/or statistical comparisons. It is essential to understand that actual working conditions can alter the useful life of any item. Previous use or misuse, irregular maintenance, faulty manufacture, unfavorable conditions, unforeseen circumstances and acts of God can make it impossible to state precisely when a specific item would require replacement. The client should be aware that certain components at the referenced property may function normally at the time of the inspection, but due to their nature may deteriorate rapidly without notice.

Time spent in legal or insurance related items or subpoenas for fact-findings sent by the other party (parties), if needed, will be billed on an hourly basis and charged to you.

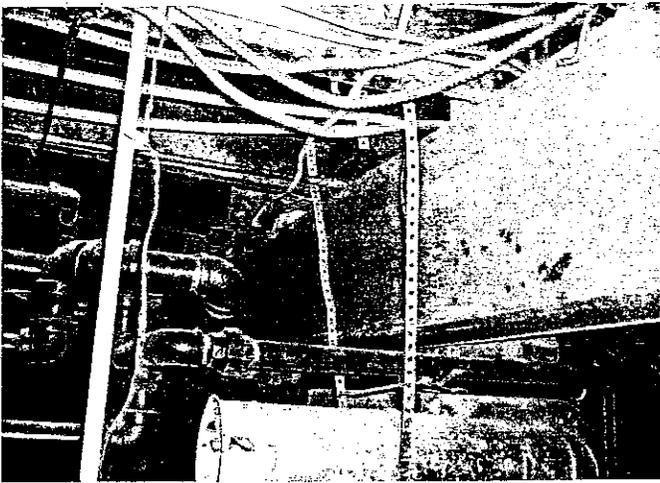
All repairs recommended herein require design and supervision from a Structural Engineer. Our office specializes in structural repair and can be contracted for further investigations and the preparation of structural plans.

Should you have any questions, please feel free to contact me.

Very truly yours,

  
Rene M. Jones, Principal  
RENE M. JONES & ASSOCIATES, INC.

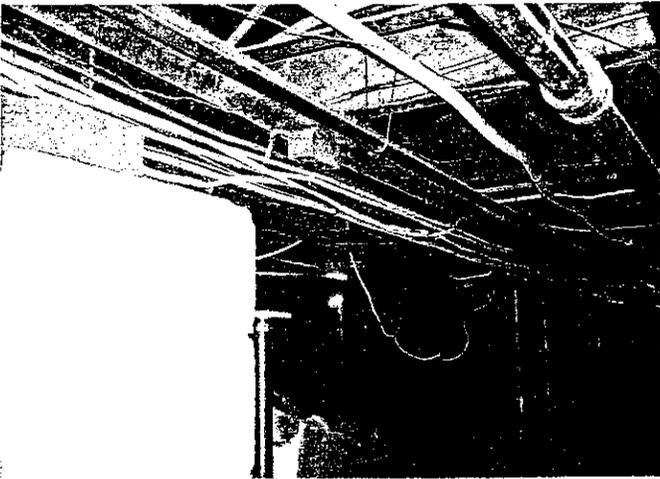
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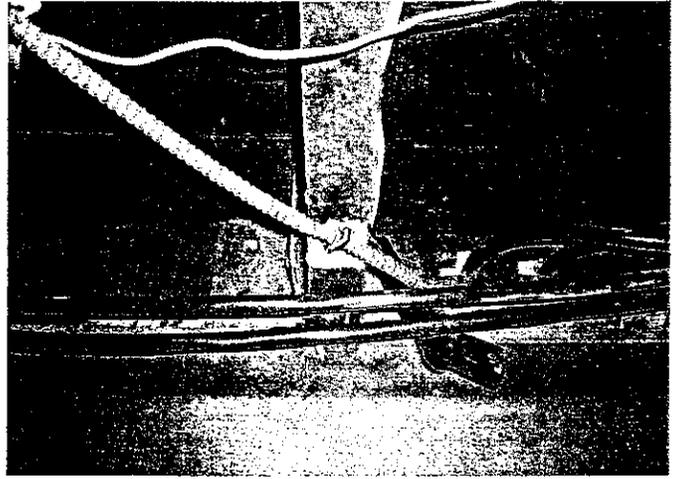
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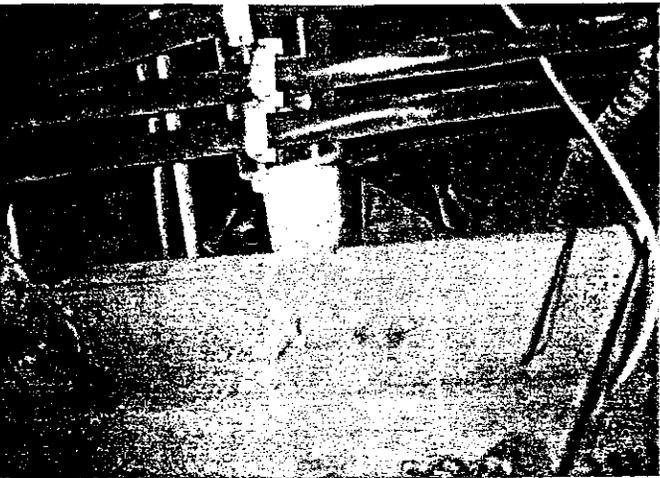
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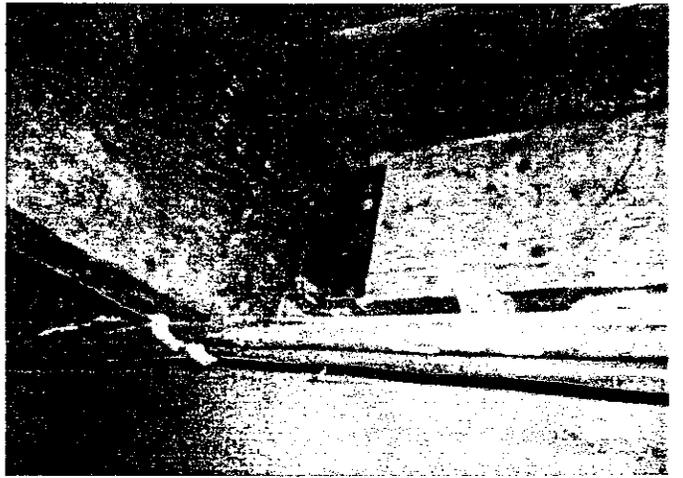
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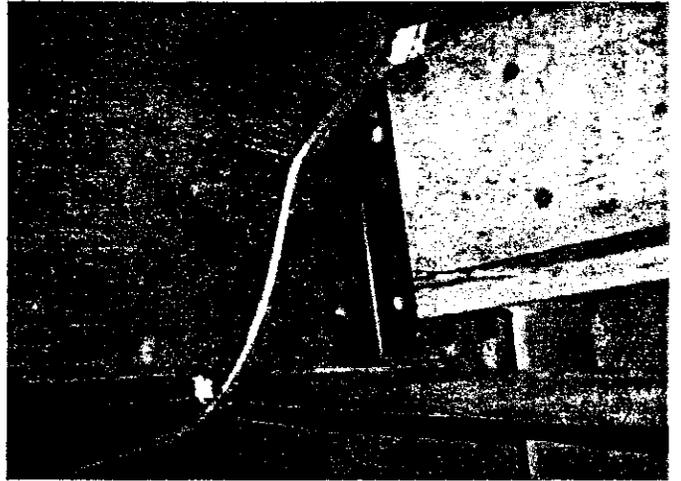
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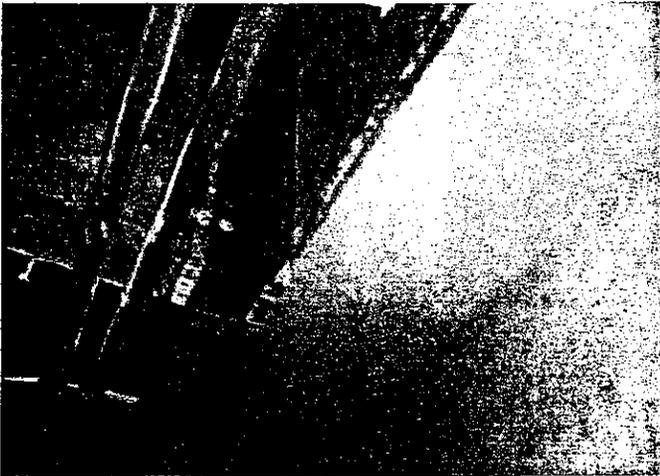
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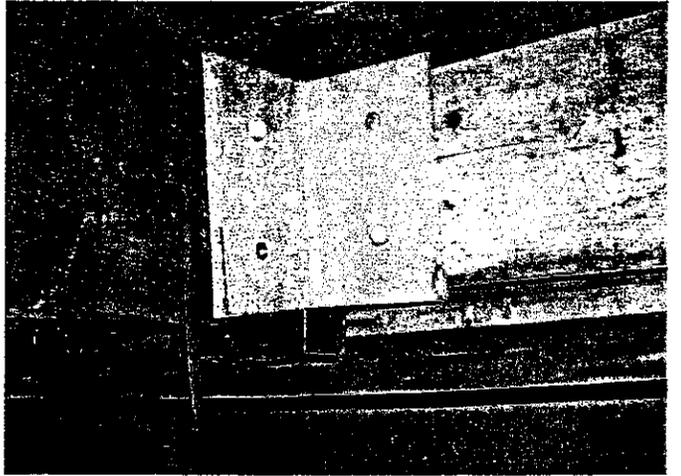
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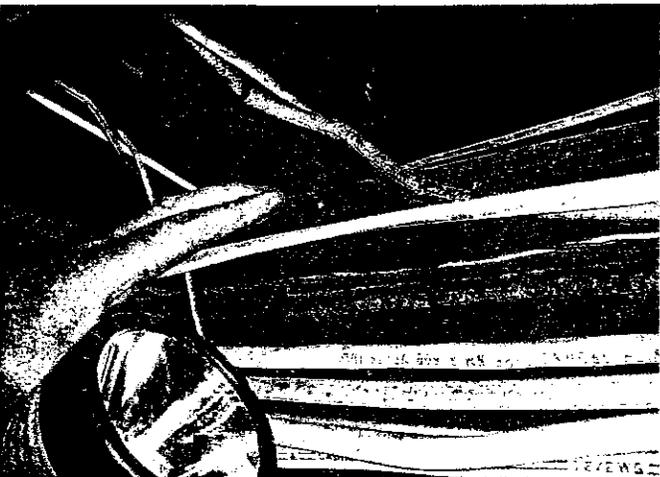
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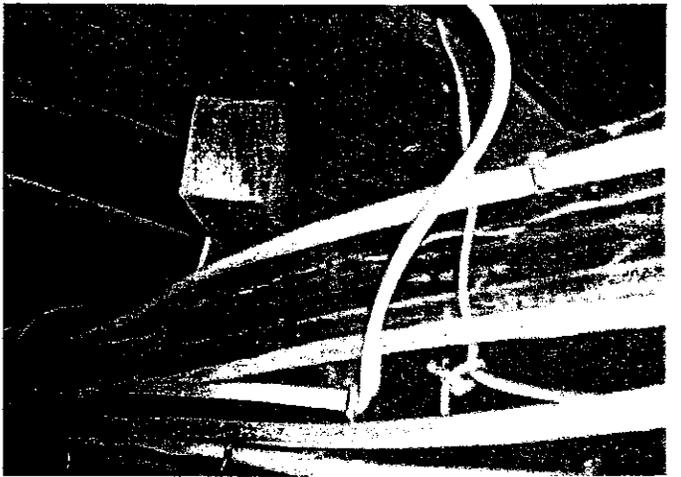
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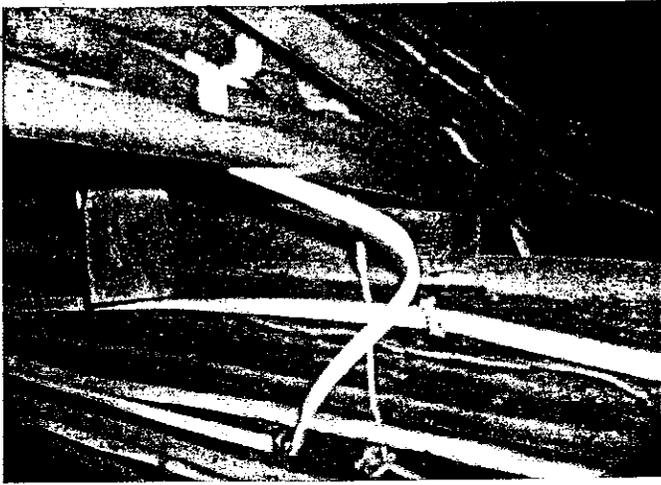
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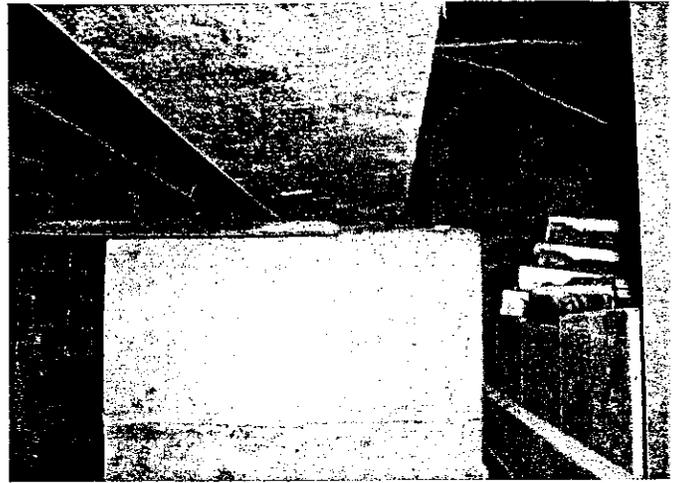
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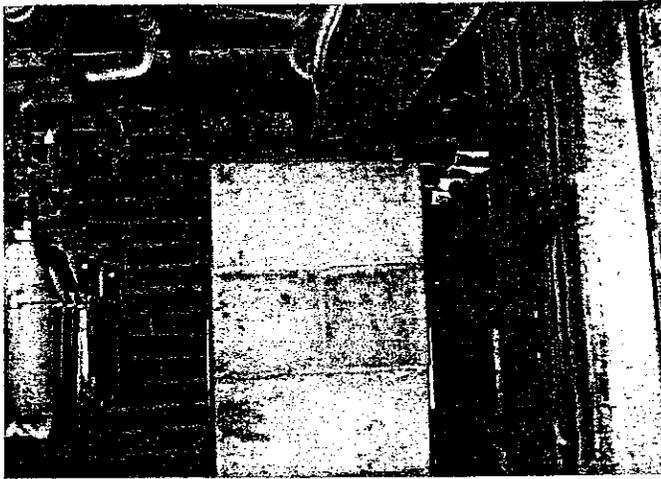
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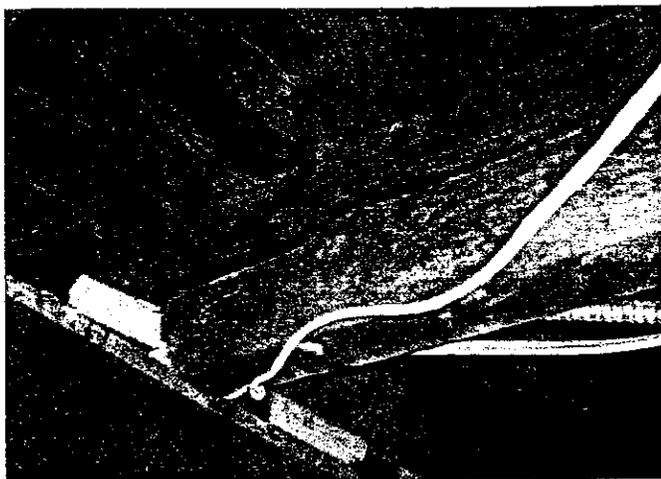
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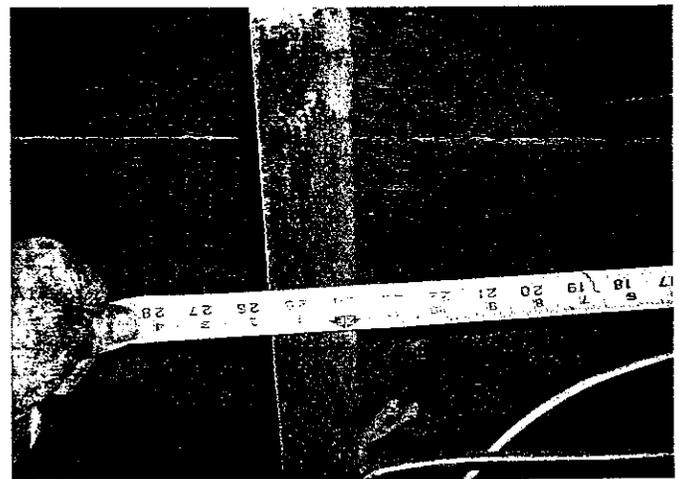
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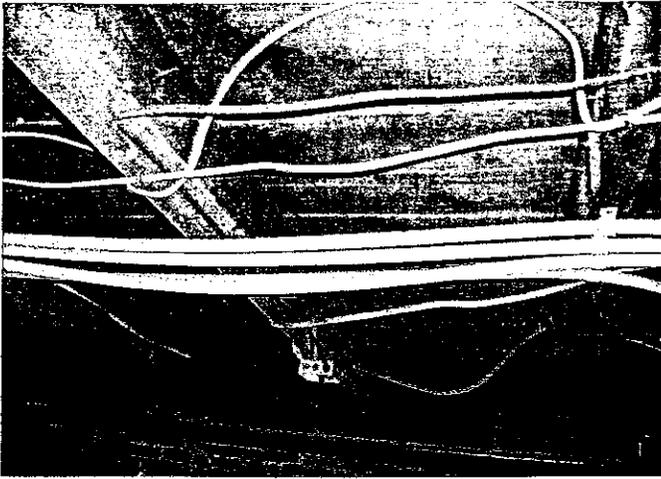
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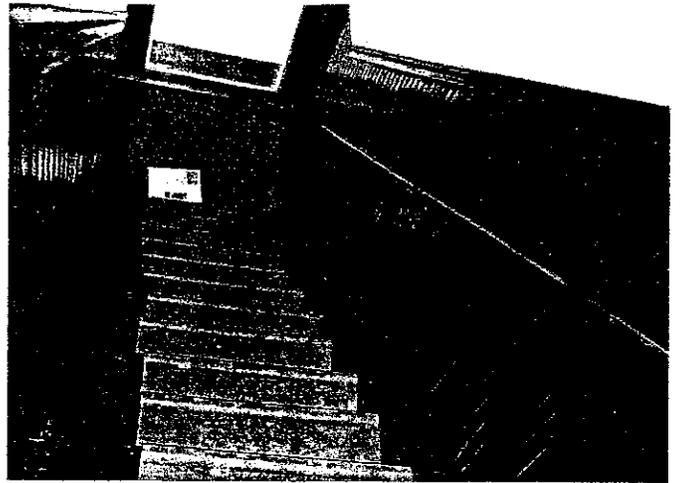
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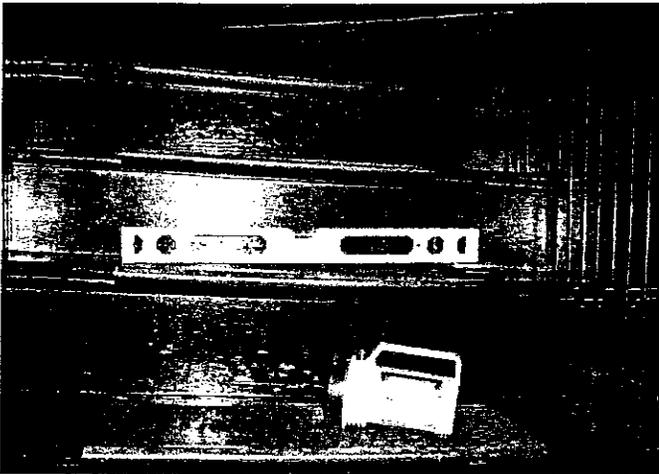
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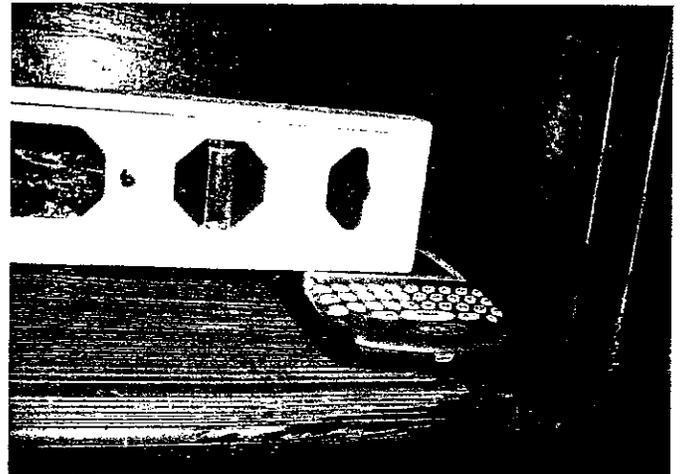
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## NORTH CAMBRIDGE STABILIZATION COMMITTEE

c/o Richard D. Clarey  
15 Brookford Street  
Cambridge, MA 02140  
617/876-0191

2006 AUG 28 A 11: 04  
OFFICE OF THE CITY CLERK  
CAMBRIDGE, MASSACHUSETTS

August 24, 2006

Robert W. Healy  
City Manager  
Cambridge City Hall  
795 Massachusetts Avenue  
Cambridge, MA 02139

Re: Homeowners Rehab, Inc./  
Lead Safe Loan Problems

Dear Mr. Healy:

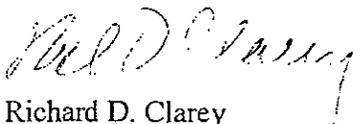
Once again we have been advised of homeowners who borrowed money under HRI's commendable rehab program (this time adding a Lead Safe loan) who have suffered damage to their home because HRI and the City hired inferior contractors and provided insufficient oversight, paid the contractors even though work was not done or shoddily done, and Inspectional Services had not signed off on the work.

The instant case involves a house on Rindge Avenue. The HRI and Lead Safe loans were made in 2004. Much of the work remains to be done after two years. A lally column has not been fixed to a cellar beam. The foundation is cracked. A storm door is missing. A door bell is hanging off a wall. There are holes throughout the house including one big enough for a grandchild to fall into. One day the homeowners returned to find their house painted garish colors even though painting the house was not part of the job. They repainted it themselves.

They are deeply anguished and fearful their house will be unmarketable. I ask that the Building Inspector visit the site and direct compliance with the permits issued. HRI and the Community Development Department should be directed to pay for this work to be completed.

Robert W. Healy  
City Manager  
August 24, 2006  
Page 2

Sincerely,



Richard D. Clarey  
Acting Chair

RDC:cm

cc. Beth Rubenstein  
Assistant City Manager  
Cambridge Community Development Department

Peter Daly  
Executive Director  
Homeowners Rehab, Inc.

✓ Cambridge City Councillors  
c/o Margaret Drury, Cambridge City Clerk

August 25, 2006

Ms. Shirley Graham  
48 Kinnaird Street  
Cambridge, MA 02139

**RE: 48 Kinnaird Street, Cambridge**

Dear Ms. Graham:

This report documents some aspect of the conversation of our meeting at your building on August 21, 2006.

This report is based on our observations, qualifications, and information provided to us during this visit. It does not claim to be an itemization of all structural problems.

For the purposes of clarity and orientation, the left, right, front, and back relate to the observation of the building from the street looking at the front of the building.

The purpose of this visit was to meet with different parties who are concerned with the work that took place in the basement of your house mentioned in our previous report of May 12, 2006.

During this visit we discussed the work that took place. We expressed our opinions to the other parties.

Upon reinforcing the line of bearing that was failing, this created a very strong point in the basement that in some ways exaggerated the differential settlement, as the rest of the building that is improperly borne continued to settle where the bearing line did not stop settling any longer. The differential settlement resulted in the movement in your house such as the doors that could not be properly operated and movement of the floors, given the fact that this building has been moving for quite some time. It is extremely difficult to pinpoint what resulted from the recent settlement compared to what occurred before. Nevertheless, we have a strong opinion that:

1. More differential settlement occurred because of the new construction as described above.
2. Some of the work that was done and associated with, as new construction was extremely improper such as joist hangers, created very improper

supports on top of the new steel beam. You also reported that during the construction some movement occurred to your house caused by the method of construction, as you experienced a large movement and noises that resulted in more movement of the floor, doors, etc. For this, you are a witness and there is no pre-construction survey to contradict you.

3. It has to be underlined that many other problems in this house need to be resolved such as the underpinning of the other columns and exterior walls and the reinforcement of the first floor.

It is conceivable that you may provide temporary shimming and shoring to give you a little more time; however the movement of the house will unfortunately keep moving if you do not underpin the house.

It is imperative that reinforcement of the first floor takes place as soon as possible, as in our professional opinion, the structure of the floor is extremely underdesigned and is of great concern in many areas. The repair of the center girder provided only a partial repair for the entire building.

Please note that additional recommendations can be found in the Observations section above. These recommendations should be considered no less important than the ones listed below.

Several areas of the house are in imminent danger of collapse, and professional shoring must be introduced to prevent an accident from occurring.

In light of the above observations, it is our professional recommendation that a full structural investigation be conducted to reinforce and to repair the structures of this building. We recommend, as required by the Massachusetts State Building Code, that structural plans be drawn indicating the structures as they existed at the time of the investigation including all new reinforcements necessary to bring the structures up to Code. Such plans would be useful in that:

- They would allow necessary permits to be obtained for the repair work.
- They would provide a good way to estimate the work to be executed.
- They would document the executed work for future reference, such as an event of later alterations to the building.

It is also important that the structural engineer visit the site during construction to verify its compliance with the plans and structural recommendations.

This report addresses only those structural problems observed during the walk-through and documented above. Since few structures were exposed during the visit, other structural problems may be concealed behind finishes, plaster ceilings, and walls. We did not implement computations or verify compliance with

earthquake code regulations, and do not claim that the observed structural members are of the proper size and properly transmit the load from floor to floor.

The structural engineer is not responsible for determining the existence of insect infestation and waterproofing.

This report and analysis is based upon observations of the visible and apparent condition of the building and its major components on the date of this inspection. Although care was taken to perform a proper and thorough inspection, we make no representation regarding the existence of latent or concealed defects. No warranty or guarantee is expressed or implied with any structure. We do not take responsibility for the capacity of stairs, banisters, and handrails. This report is made only in the best exercise of our ability and judgment.

Conclusions in this report are based on the normal working life of various structural items. Predictions of life expectancy and the balance of useful life are not necessarily based on industry and/or statistical comparisons. It is essential to understand that actual working conditions can alter the useful life of any item. Previous use or misuse, irregular maintenance, faulty manufacture, unfavorable conditions, unforeseen circumstances and acts of God can make it impossible to state precisely when a specific item would require replacement. The client should be aware that certain components at the referenced property may have functioned normally at the time of the inspection, but due to their nature may have deteriorated rapidly without notice.

Time spent in legal or insurance related items or subpoenas for fact-findings sent by the other party (parties), if needed, will be billed on an hourly basis and charged to you.

All repairs recommended herein require design and supervision from a structural engineer. Our office specializes in structural repair and can be contracted for further investigations and the preparation of structural plans.

Should you have any questions, please feel free to contact me.

Very truly,

Principal  
RENE ASSOCIATES, INC.

RM/jp





# CAMBRIDGE CITY COUNCIL

Craig A. Kelley  
City Councilor

Peter Daley  
Homeowners Rehab, Inc.

18 January, 2007

RE: HRI Work at Gilmer Residence at 297 Rindge Ave

Dear Mr. Daley:

I write concerning the HRI project at the Gilmer residence on Rindge Ave at 297 Rindge Ave in North Cambridge.

As you know, the Gilmer's have been very disappointed in the work HRI has done at their house at the junction of Rindge Ave and Clifton Street. From cracks in their foundation to unsatisfactory electrical work to paint that was the wrong color, the Gilmer's have watched their home renovation go from making their house a dream home to becoming something of a nightmare. Since even a brief walk-through by a layperson unassociated with building codes and structural engineering highlighted these shortfalls, it is difficult to understand how HRI's rehab professionals were not more responsive.

In addition to feeling that the work at their house has been substandard, the Gilmer's have not been satisfied with the level of care HRI has shown regarding this project. Having gotten no satisfactory response from HRI regarding the problematic work from HRI-suggested contractors, the Gilmer's had to come to City Council meetings to plead their case that someone pay attention to this project. In fact, they had to come to City Council twice, in addition to numerous other meetings with city officials. Given the lack of response to their concerns, it is not surprising that the Gilmer's would like to move on with their renovations without HRI's interference, however much that interference is masked as assistance.

I think it would be wise for HRI to refund the Gilmer's entire loan, allowing the Gilmer's to conduct whatever repairs are now needed on their own. While this repayment would cost HRI money, it would be money well-spent if it caused HRI to realize that it must pay more attention to the projects it facilitates. As the Gilmer's home was not HRI's first project in North Cambridge that did not result in a satisfied homeowner, I can only note that this is one lesson HRI could not learn soon enough.

Please feel free to contact me directly should you have any questions concerning this communication.

Sincerely,

A handwritten signature in black ink, appearing to read "Craig A. Kelley", written over a horizontal line.

# HRI

HOMEOWNER'S  
REHAB, INC.

July 30, 2007

Councilor Craig Kelley  
Cambridge City Hall  
795 Mass Ave  
Cambridge, MA 02139

RE: 297 Rindge Ave

Dear Councilor Kelley,

I am writing in response to your letter dated July 8<sup>th</sup> 2007, which was received in our office on July 26<sup>th</sup>, 2007.

As you know, I have been reviewing the case at 297 Rindge Ave and discussing it with the owners and other related parties over the last few months. I think that it is safe to say that this is one of the more complex cases I have seen. The first aspect to sort out was the fact that this was not a "rehab project" but really a "series of rehab projects" involving work done through our agency but also additional work done by others without HRI's involvement. I have found that HRI has been unfairly blamed for work that was unrelated to us. A good example of this is your claim that HRI used "paint that was the wrong color". We had nothing to do with this work item. It was not in the scope of any contracts that we provided.

Once we focused on the HRI related scope, I found a series of events that has led to the dispute between the owner and contractor:

First, there was very poor communication between the owner, contractor, and HRI (I will not go into the reasons that, I believe, caused this).

Second, the owner signed off their approval on the final payment to the general contractor and retained the final payment to the electrical contractor for work that was incomplete. In the construction contract world, this typically signifies to all parties that the job is over.

Third, we heard no complaints from the owner for two years.

Nevertheless, we have taken a hard look at what punchlist items the owners want addressed. We then eliminated the items that were not part of the HRI scope of work. We then discussed this list with the contractor and have found him to be very

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SUPPORTED BY



UNITED WAY  
OF MASSACHUSETTS BAY

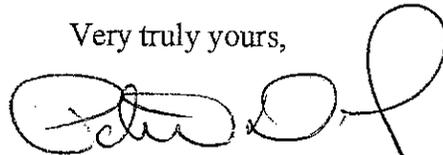
cooperative. The contractor has pledged to return to the job site, make this work a priority, and complete all items on the approved punchlist in a timely manner at no cost to the owner. It should take only a couple of days to complete the list.

As for the approved punchlist, there appears to be a general agreement on which items should be included. For the items in dispute, we have suggested a process for resolving them. In my professional opinion, the punchlist, as proposed, represents a fair and equitable settlement for all involved. We are awaiting the owners' response to this and if there is a final agreement, we will contact the contractor and have the punchlist completed.

Finally, I want to address your suggestion that the entire amount of the loan be refunded. With all due respect, your proposal is both unrealistic and unproductive. I fear that if the owners believe that this is even a remote possibility, they will not proceed toward a negotiated settlement with the contractor and we will not achieve what I believe we all want, a resolution.

We will continue to work with the owner and contractor to resolve this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Peter Daly', with a large, stylized flourish extending upwards and to the right.

Peter Daly  
Executive Director

**CHARLES J. COSTELLO**  
Post Office Box 333  
Boxford, Massachusetts 01921

29 February 2012

James P. Keane, Esquire  
KEANE, KLINE & DUFFY  
Attorneys at Law  
One Church Court  
Boston, MA 02129

**Re: Cost Estimate for Corrective Measures to Three-Family Dwelling  
Located at 48 Kinniard Street in Cambridge, Massachusetts**

Dear Attorney Keane:

As you are aware, I have made site inspections visits to the above-said address. I have made measurements, noted the methods and materials of construction and photographed the subject three-family dwelling. In addition, I have reviewed discovery documents as well as materials provided by your office relating to the work performed at the above-said address. The purpose of my inspections was to document reported construction defects as well as incomplete construction work within the three-family dwelling. In addition, at your request, I have performed quantity take-offs as well as reconstruction cost estimates necessary to correct the defects and complete the work at the dwelling. The cost estimate is based upon R. S. Means Cost Codes for unit prices and my experience with construction industry quantity take-offs. A location factor has been applied to adjust costs for Cambridge, Massachusetts.

In general this estimate includes: reestablishing the structural integrity of the basement foundation supports and first floor framing; leveling the first, second and third floors by jacking steel carrying beams at the basement level and adding additional footings, columns, beams, wooden floor joists and headers to complete the structural support of the first floor; all associated disconnects and reconnects to structural elements plumbing, heating, electrical, etc; correcting all cosmetic defects to interior finishes, i.e. leveling floors, cracked plaster, misaligned door frames and doors, etc. All costs itemized below are bare costs for labor and materials. Contractor insurance, fees, taxes, overhead and profit are applied at twenty-five percent of the bare costs.

The following is a summary of estimates and allowances for corrective construction cost accounts. All cost codes have been rounded to the nearest \$100.00.

<u>COST CODE</u>	<u>DESCRIPTION</u>	<u>COST</u>
010	Structural/Foundation Engineering, Design & Site Inspections .....	\$8200
023	Mobilization: Piles/Foundation and Structural Steel .....	1200

(Cont'd on page two)

James P. Keane

RE: Cost Estimate for 48 Kinniard St., Cambridge, MA

29 February 2012

Page two

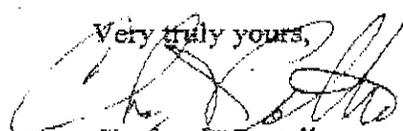
(Cont'd from page one)

<u>COST CODE</u>	<u>DESCRIPTION</u>	<u>COST</u>
192	Jacking, Shoring, Shimming and Leveling 1 <sup>st</sup> , 2 <sup>nd</sup> and 3 <sup>rd</sup> Floors .....	5100
020	Selected Demolition of Floor and Floor Framing, Soil and Debris Removal .....	3700
608	Helical Piles, Conc. Pile Caps, Plates and Anchors .....	9300
051	Structural Steel Fabrication and Installation (beam, columns, plates, grout and connections) .....	5800
061	New 1 <sup>st</sup> Floor Joists and Headers (2x12 where needed) ...	2200
062	Miscellaneous Finish Carpentry (Allowance) .....	1200
154	Miscellaneous Thin Coat Plaster Repair (Allowance) .....	1000
724-151	Miscellaneous Plumbing Demo and Reinstallation (Allow.)	900
161	Miscellaneous Electrical Demo and Reinstall. (Allow.) ....	1400
099	Painting (Cracked Plaster and Patching Allowance) .....	2200
	Sub Total	\$42200
	* 25% Construction Contingency	<u>10550</u>
	Sub Total	52750
	Insurance, Fees, Taxes (5%), Overhead (10%) and Profit (10%)	<u>13188</u>
	<b>GRAND TOTAL</b>	<b>\$65,938</b>

\* A 25% Construction Contingency was carried based upon field conditions that are known and observable. Concealed conditions and unforeseen issues could add significantly to the Contingency cost for the project.

Should you have any questions regarding any of the above please feel free to give me a call.

Very truly yours,



Charles J. Costello  
Mass. Lic. # CS067349

# CHARLES J. COSTELLO

Post Office Box 333  
Boxford, Massachusetts 01921

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## CURRICULUM VITAE SUMMARY

PROFESSOR CHARLES J. COSTELLO

DOB: 7/18/48

### EDUCATION

A.A.S in Building Construction Technology & Architectural Engineering (1970), A. Eng. Civil & Highway Engineering Tech. (1972), Wentworth Institute of Technology; Selected courses in engineering, Northeastern University (1972-74); B.S.C.E. in Civil and Structural Engineering (1979), Tufts University; Numerous courses and seminars related to construction, civil, and transportation engineering.

### GENERAL PROFESSIONAL QUALIFICATIONS

Over 35 years of university, industrial and consulting experience. Boxford Building Committee (Chairman 1992-95)

### CERTIFICATIONS AND LICENSES

I. C. E. T. National Certification; Mass. Lic. No. 067349 CS; FAA Pilot Lic. No. 42380974

### UNIVERSITY EXPERIENCE

Professor of Engineering Wentworth Institute of Technology (1972 to 1988). Professional Society Memberships: American Society of Engineering Educators (A.S.E.E.), American Institute of Steel Construction (A.I.S.C.), American Concrete Institute (A.C.I.), American Congress on Surveying and Mapping (A.C.S.M.), American Association of State Highway and Transportation Officials (A.A.S.H.T.O.), Highway Research Board (H.R.B.), National Transportation Safety Board (N.T.S.B.), American Railroad Engineers Association (A.R.E.A). American Society for Testing and Materials (A.S.T.M.), Boston Society of Civil Engineers (B.S.C.E.) Clerk of the construction division, American Society of Civil Engineers (A.S.C.E), Massachusetts Association of Land Surveyors and Civil Engineers (M.A.L.S.C.E), Developed courses and curricula for the College of Design & Construction. Taught over 35 courses within the Construction, Architectural, and Civil Engineering Departments.

### Courses taught included:

#### **Construction Technology:**

- Light Construction Practice
- Heavy Const. Practice & Equip. Methods
- Construction Mats. and Methods & Estmg.
- Carpentry and Masonry Laboratory
- Construction Managem't, Contracts & Law
- Building Codes, Standards & Specs.
- Electrical and Mechanical Equipment for

#### **Transportation Engineering:**

- Civil Engineering Field Laboratory
- Transportation Engineering
- Highway Engineering
- Roadway Materials and Methods
- Transportation Utilities
- Roadway, Runway and Railway Design
- Plane and Geodetic Surveying

#### **Structural Engineering:**

- Statics and Dynamics
- Mechanics and Strength of Materials
- Advanced Mechanics
- Experimental Stress Analysis & Laboratory
- Analysis of Structures I, II, III, IV
- Structural Steel Design I, II
- Reinforced Concrete Design I, II

#### **Site, Soils & Foundation Eng.:**

- Foundation Design
- Soils Engineering & laboratory
- Hydraulics & Drainage Design
- Site and Util. Design & Construction
- Sanitary Engineering
- Civil and Architectural Drafting
- Computer Methods

## CURRICULAM VITAE SUMMARY (cont'd)

## PROFESSOR CHARLES J. COSTELLO

UNIVERSITY EXPERIENCE (cont'd)

Instructor in Building Science for Summer Technical Internship Program, W.I.T (1971 - 1975)  
Instructor in Building Science for Boston Naval Shipyard Retraining Program, W.I.T (1975)  
Steering Committee for curricula development - Harbor School for Science and Technology, M.I.T. (1976-78). Curricula advisor to Don Bosco High School (1978-82). Professor in charge of Highway and Transportation Engineering Curricula, W.I.T (1980-87) Industrial Advisor to the Civil Engineering Department for Structural analysis/design curricula, W.I.T. Faculty Advisor for Senior research projects. Professor in charge and Director of Wentworth Institute's Experimental Stress Analysis Laboratory, 1983-87.

INDUSTRIAL EXPERIENCE

Cogar Industrial, machine design drafting (1970-71). K.J. Miller, civil engineer (1971-72) The Charles/Donald Group, Inc., President (1979-1991). Baseline Surveying and Eng. Inc., Principal (1988-91). Charles J. Costello Consulting (1991 to present)

ANALYSIS & DESIGN CONSULTING EXPERIENCE

Analysis and design of mechanical systems, structures, and frameworks: site surveys and design; subdivision design; roadway design; building design; hospital laboratory and equipment design; hydraulics and drainage design; sanitary and environmental engineering design; foundation design.

LEGAL CONSULTING EXPERIENCE

Failure Analysis, Safety OSHA, Construction and Building Code Compliance (1978 to Present)

Investigations:

Safety evaluations, personal injury and property damage, building codes and standards, construction inspections and investigations, construction safety standards, fall protection accidents and investigations, equipment and vehicular accident reconstructions, evaluation of construction methods and materials, structural failures and collapses, blasting damage, slips/trips and fall down accidents, materials handling, loading docks, transportation of consumer goods.

Analysis and design of products; preparation of plans and product specifications; materials engineering; evaluation of manufacturing processes, workmanship, inspection procedures, maintenance, packaging and shipping. Crafted; warning labels, operating and maintenance manuals, for a wide range of consumer products including athletic, medical and sound equipment. Structural analysis and design for mobile rocket staging vehicle. Analysis of anthropometrics and human factors considerations in product development and documentation.

Patent justification analysis and documentation for numerous products including: diagnostic imaging equipment used in neurology, angiography, cardiology, and orthopedic applications; design of structural supports for bi-plane diagnostic imaging and laser vascular equipment; investigations of structures and supports conditions in response to loads imposed by MRI and CT scanning equipment, including acoustical and mechanical vibration analysis and earthquake induced loads; numerous investigations involving product liability, accident causation, and failure analysis relating to personal injury and property losses.

(REV. 01/01/08)

Frank M. Barbosa  
Third Generation Construction Inc.  
7 Seckel Street  
Cambridge MA

Ralph E. Traniello  
48 Medford St.  
Medford MA

Juan Watson  
J.V. Construction  
104 Waite Street  
Malden MA

Keeper of Records, Massachusetts Property Insurance Underwriters Association  
2 Center Plaza  
Boston, MA

Keeper of Records, W.T. Phelan & Co.  
1812 Massachusetts Avenue  
Cambridge, MA

The defendants, James Sleeper and Alan LaBella, reserve the right to call the keeper of records witnesses for the purposes of authenticating records, if necessary. The defendants also expressly reserve the right to call all witnesses identified herein by the plaintiff and to seasonably supplement this witness list. The defendants reserve the right to call rebuttal witnesses.

## **VI. TRIAL EXPERTS**

### **Plaintiff:**

The plaintiff expects to call the following person to qualify and render expert opinions:

Charles Costello, P.O. Box 333, Boxford MA 01921 (see resume attached).

a-b. It is expected that Mr. Costello will testify in the areas of civil, structural, and architectural engineering as it relates to the Graham project. He is also expected to testify in the areas of construction management and practices as they relate to the project. He is also expected to testify as to the deviation from the standard of care of Arthur Choo and his employees in designing and executing the rehabilitation of the plaintiff's home. His testimony will consist of both factual observations and opinions as to the work performed on the Graham home, its

adequacy, and conformance to standards, building code, and good and accepted construction practices.

As to James Sleeper, and Alan LaBella, Mr. Costello is expected to testify that on March 30, 2009, he inspected, shot grades and made measurements of the renovation work performed in the basement of 48 Kinnaird Street, Cambridge, Massachusetts (the Graham home);

He observed that the work in part consisted of a steel "I" beam being placed to support the floor(s) above. This work was not in accordance with American Institute for Steel Construction specifications and therefore in violation of the Massachusetts State Building Code;

The work he observed was not properly done because the beam in question does not make proper contact with the joists of the floor above. The contractor used scrap wood shims in an attempt to support the floor but, in his observation, the shims themselves do not make contact with the joists.

He is further expected to testify that he observed water and electrical utility lines were not repositioned within good and accepted construction practice. If there is further movement between the "I" beam and the structure above, this will cause load to be transferred to these utility lines. This is improper, constitutes a violation of applicable building and electrical codes, and is a violation of good and accepted construction practices;

In preparation for his testimony, Mr. Costello has reviewed depositions of the parties, various documents associated with the re-construction, and deposition exhibits. From a review of this material and his personal observations, Just-A-Start's personnel performed the following functions on the Graham Project:

- a) Initially surveyed and evaluated the dwelling's existing structural conditions and proposed a re-construction project;

- b) Prepared cost estimates re: renovation needs of the property;
- c) Prepared the specs for the job re: costs and scope of the work;
- d) Reviewed architectural proposals;
- e) Prepared the Scope of the Work Plan;
- f) Prepared solicitations for bids;
- g) Reviewed the responses to bids;
- h) Indicated that it reviewed the bids with the owner;
- i) Contacted contractors;
- j) Qualified contractors re: licenses and insurance;
- k) Held pre-construction meetings;
- l) Supervised the work;
- m) Sequenced/monitored the activities on the job site;
- n) Obtained warranties;
- o) Conducted periodic inspections or work after reviewing invoices from contractor;
- p) Controlled the payment process from invoice to payment;
- q) Handled change orders;
- r) Performed the project cost accounting;
- s) Received invoices and requisitions for payment from contractors on the job site;
- t) Held construction funds in escrow;
- u) Approved release of the funds and cut checks;
- v) Held bank funds for punch lists;
- w) Performed final project cost accounting.

Mr. Costello is expected to testify that in his considered opinion and based upon some 40 years of experience with the construction industry and to a reasonable degree of certainty, the functions enumerated above are all activities performed by a Home Improvement Contractor/General Contractor, and, in his opinion, JAS was acting as a Home Improvement Contractor/General Contractor in undertaking and executing the Graham project.

From the documents he reviewed and his personal observations of the job site, it is his considered opinion based upon his education, training, and experience that the work was not substantially completed given the extent and seriousness of the outstanding items. For instance, JAS' letter of August 9, 2006 details a number of significant items which must be corrected before the job could be deemed substantially complete including additional structural work, removing and relocating utility lines, and re-supporting a wall, to name a few. This work should not have been signed off by the defendant Just-A-Start/James Sleeper, as having been completed in a satisfactory manner.

Mr. Costello is also familiar with the permitting process in the Commonwealth, pursuant to the Massachusetts Building Codes and have reviewed the certified copies of the Building Permits relative to the Graham renovation and he did not see a final "sign-off" for the work and he must, therefore, conclude from the materials he reviewed that the work was never inspected. This is further support that the Graham re-construction was never completed.

In his considered professional opinion, the work done by the defendants and as he observed it on March 30, 2009 was not free from defects, was of poor workmanship and improperly done, was not up to good and accepted construction standards, and constituted a violation of various building codes. He is further expected to testify that the conditions created by the defendants are causally related to the damages to the Graham home, that continued structural movement will

occur, and required additional remediation work to correct the deficiencies in planning and construction.

While on the premises on March 30, 2009, he also took a number of photographs, some of which are illustrative of the conditions he found.

As for Arthur Choo and Choo & Co., Inc. and its personnel, as previously mentioned the work he observed in part consisted of a new steel "I" beam being placed to support the floor(s) above.

Mr. Costello understands that the standard of care required in these instances is that the professional architectural/structural engineer is to exercise the skill and judgment which can reasonably be expected from a similarly situated professional in the metropolitan Boston area (including Cambridge) (2004-2006), taking into account the complexity and type of project being designed and built such as the Graham renovation.

Mr. Costello is expected to testify that the work he observed was not properly done because the new steel beam in question does not make proper contact with the joists of the floor above. The architect/structural engineer permitted the installing contractor to use scrap wood shims in an attempt to support the floor but, in Mr. Costello's observation as well as the observations of others, the shims themselves do not make contact with the joists.

Mr. Costello observed that water, gas, and electrical utility lines were not repositioned within good and accepted construction practice. As noted earlier, if there is further movement between the "I" beam and the structure above, this will cause load to be transferred to these utility lines. This is improper.

In preparation for this Answer to Interrogatory Mr. Costello has reviewed depositions of all the parties (including the deposition of Arthur Choo), various documents (including Choo & Company's file), drawings, photographs, the Rene Mugnier Report, and exhibits.

From a review of this material and his personal observations, it is believed that Mr. Costello will testify, based upon a reasonable degree of certainty, that Arthur Choo and his associates at Choo & Company fell below the standard of care, as set out above, in the following ways:

- A. At the drawing and specification stage, the architect/structural engineer failed to specify proper shims and shimming procedures. In this instance, scrap wood shims, subject to compressive loads, should not have been allowed. In numerous locations, shims were not in contact with the structural elements they were intended to support.
- B. The plans do not specify shimming locations. It appears the shimming locations were chosen on an ad hoc basis. The architect/structural engineer needs to specify the shimming locations so that load will be transferred uniformly to the new steel beam.
- C. The shimming as observed and as noted in the Mugnier Report as of May 2006 was ineffective, with no contact between the beam and upper structures.
- D. Installations such as the Graham project need uniform load support over the length of the beam.
- E. The problem with the beam installation began at the concept and design stage. It appears that the height of the steel columns was determined and the columns were shop fabricated off-site before installation began. The measurements were apparently done by Choo & Company personnel (Shane Losi). In doing this, the designer failed to account for the uneven first floor wood framing and how the columns would position the new steel beam on the uneven floor. As such, the problem of non-contact between the beam and the upper joists occurred.

In Mr. Costello's opinion, the preferred plan would be as follows: temporarily install and support the beam with screw jacks or shores. When the beam is temporarily

supported, raise the beam to its final resting place with screw jacks, set the beam and make sure all joists are properly supported and properly shimmed in place to transfer the load to the new steel beam. Now measure for the columns. Once the columns have been fabricated for the unique height of each column, they can be moved into place. In installing the pile cap, mechanical means must be employed to allow for leveling and support of each column on the uneven floor. Mr. Costello does not believe these procedures were used in the placement of the beam.

- F. Failed to design the supporting structures to accommodate the uneven floor and should have employed a mechanical means to aid in this undertaking;
- G. As designed with no accommodation for the differences in floor height, the structural elements transferred the loads in a non-uniform manner;
- H. The architect/structural engineer failed to specify applicable standards and insure that the installing contractor followed them. More particularly, the architect/structural engineer should have specified American Institute of Steel Contractors Standards/American Institute of Timber Standards and the American Concrete Institute Standards – all of which are incorporated into the Massachusetts Building Code. The plan should also have provided that the installing contractor was to field verify all dimensions and all shimming locations to insure uniform distribution of the loads;
- I. Permitted the installing contractor to cut away joists substantially compromising their load-bearing integrity;
- J. Permitted the installing contractor to place joist hangers with incomplete fasteners.

Mr. Costello has reviewed the Rene Mugnier Report and agrees with his observations and conclusions; a copy of the report is incorporated herein by reference. Mr. Costello has

confirmed Mr. Mugnier's observations. In Mr. Costello's considered opinion within a reasonable degree of engineering certainty, the structural design for the new basement support of the Graham home was incomplete. It did not address additional supports necessary to properly support the upper structure. The architect/structural engineer's plan dealt only with the center line and ignored other bearing lines.

It is Mr. Costello's professional opinion that the architect/structural engineer fell below the standard of care, outlined above, in the design of the Graham project. It is further his opinion that the architect/structural engineer failed to properly sequence and inspect the project as required by the Massachusetts Building Code. Lastly, it was wholly improper for the architect/structural engineer to sign off on the installation with the utility lines running between the beam and upper structure, the cutting away of the joists, and the failure to properly secure the joists' hangers. Lastly, the use of the scrap wooden shims were wholly ineffective in uniformly supporting the loads.

In Mr. Costello's considered professional opinion, the plans prepared and the work done by the defendants, and as he observed it, on March 30, 2009 was not free from defects, was of poor workmanship and improperly done, was not up to good and accepted professional standards, and constituted a violation of various building codes. He further opines that omissions of the architect/structural engineer constituted a significant contributing cause, together with the acts and omissions of the other defendants, JAS and its employees included, to bringing about the damage to the Graham home, that continued structural movement will occur, and require additional remediation work to correct the deficiencies in planning and construction. It is further expected that Mr. Costello will testify as to the cost of corrective construction, the items thereof, and the costs associated with a proper fix of the Graham home to be approximately \$66,000.00..

- c. It is expected that Mr. Costello's opinions are based upon his training and experience in construction technology, architectural engineering, and structural engineering of some 40 years, his education, training, and the review of pertinent portions of the file, together with his personal observations.

**Choo Defendants:**

The Choo defendants intend to seek exclusion of the plaintiff's proposed liability expert, Mr. Costello as being unqualified to testify as proposed as to the standard of care by an architect, and because the testimony is irrelevant to the remaining issues to be tried.

In the event the Court allows the plaintiff's experts to testify as to the work performed by the Choo defendants, these defendants seek leave to identify and call experts to address the issues raised.

**James Sleeper and Alan LaBella**

The defendants intend to seek exclusion of the plaintiff's liability expert, Charles Costello, because he lacks the expertise and knowledge to testify to the subject matters designated and his testimony is irrelevant to the M.G.L. c. 93A claims asserted against the defendants. His testimony concerns the alleged negligent construction performed at Ms. Graham's property; claims that were dismissed by the Court. The plaintiff cannot now try to revive these claims by asserting them under the guise of a Chapter 93A claim.

Furthermore, with respect to the application of M.G.L. c. 142A, it is within the province of the Court, and not the proposed expert witness, to interpret the statute and to determine as a matter of law whether the defendants were Home Improvement Contractors pursuant to the statute. Therefore, the witness proposed testimony is irrelevant to remaining claims pursuant to M.G.L. c. 93A and the plaintiff must be precluded from offering the proposed testimony at trial.

The defendant reserves the right to supplement this portion of the Pretrial Conference Memorandum following the mediation of this matter with its own expert designation regarding the construction at the property should the Court allow the extraneous testimony of Mr. Costello prior to trial.

**VII. LENGTH OF TRIAL:**

Plaintiff believes the trial of the matter will take 5-7 days.

The Choo defendants believe the trial should last 2 days as the issues to be tried are significantly more limited in scope than proposed by the plaintiff.

Defendants James Sleeper and Alan LaBella: Two full weeks.

**VIII. PLAINTIFF'S ITEMIZED STATEMENT OF DAMAGES**

Lost rentals, approximately \$168,000.00

Mortgage indebtedness \$75,000.00 (plus)

Remediation damages of work, approximately \$66,000.00

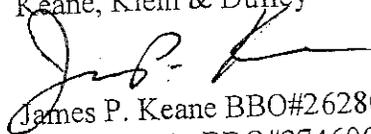
Loss of fair market value (assessment) \$400,000.00

Attorneys' fees, costs, and expenses – undetermined as of this date.

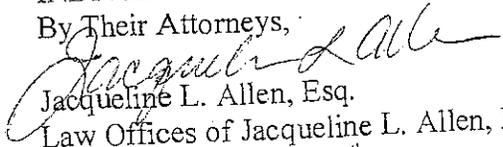
### IX. CERTIFICATION OF COUNSEL

The parties have agreed to attend mediation with Attorney Brian Mone of Commonwealth Mediation & Conciliation, Inc.; the date for mediation is set for March 9, 2012. Counsel for plaintiff certifies that he has talked with his client about the possibility of settling this matter and regarding trying to resolve this matter through mediation.

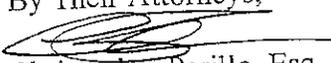
Plaintiff, Shirley Graham  
By Her Attorneys  
Keane, Klein & Duffey

  
James P. Keane BBO#262800  
Alice J. Klein BBO#274600  
One Church Court  
Boston MA 02129  
617-242-8383  
keaneklein@aol.com

Defendants, ARTHUR CHOO,  
INDIVIDUALLY AND CHOO AND COMPANY, INC.  
By Their Attorneys,

  
Jacqueline L. Allen, Esq.  
Law Offices of Jacqueline L. Allen, Esq.  
One Exchange Place – 5<sup>th</sup> Floor  
53 State Street  
Boston MA 02109

DEFENDANTS, JAMES SLEEPER, and ALAN LABELLA  
By Their Attorneys,

  
Christopher Perillo, Esq.  
Murphy & Riley, P.C.  
Murphy & Riley P.C.  
101 Summer St. – 2<sup>nd</sup> Floor

# JUST-A-START CORPORATION

P.O. Box 410310 . 1035 Cambridge Street #12 . Cambridge, MA 02141-0003  
Telephone: 617-494-0444 . Fax: 617-494-8348



## Five Year Summary of Programs and Outcomes

FY2008 through FY2012

### Nonprofit Community Development with Five Program Concentrations

#### I. Holding On To And Finding A Place To Live

- **Home Improvement Program – One-Four Unit Owner-Occupied Homes**  
Total Cases Serviced: 125 Units Serviced: 225  
Owners Advised/Counseled: 400  
Rehab Loan Funds Managed: \$3,542,351 Sources: HUD and Cambridge Savings Bank  
Housing Stabilized or in Workup: 1,091 People
- **Homeless Prevention/Mediation with Landlords and Tenants**  
Total Mediations: 1,200 Individual Counseling Cases: 1,100 Homeless Preventions: In Place: 1000  
In Alternative Housing: 500  
Program Costs: \$800 - \$1,000/Case Emergency Housing: \$100 - \$120/room/night  
Housing Costs for Tenants: 40-60% of combined family income in Massachusetts  
Housing Resolved: 1,500 families with 4,500 people
- **Teen Living Program with Transitional Shelter**  
Total Young Mothers Served: 196 Their Children: 231 Mothers 15-21 years of age  
Total Rehoused, Including Prior Placements: 173 Young Families  
Total in the Teen Living Program: 427

#### II. Producing and Retaining Affordable Places to Live

- **Nonprofit Rental Developments**  
JAS develops and owns affordable rental housing targeted for low-and-moderate income households. Since 1973, JAS has developed and preserved 598 units of rental housing, 51 units in the last 5 years.
- **Homeownership Development**  
Just-A-Start develops affordable homes for first-time homebuyers. These units are available to families with low-to-moderate incomes. All of the units are purchased pursuant to an affordable Housing Agreement with the city of Cambridge, allowing the City to repurchase the units when sold at a restricted resale price.  
  
Since 1984, JAS has developed 130 affordable homes for purchase, 24 have been developed in the last 5 years.  
  
Since 1994, JAS has managed the preservation, rehab and City managed resale of 62 homeownership units secured by the City's Affordable Housing agreement, 47 have been secured in the last 5 years.
- **Impacts in Meeting Housing Needs of Working and Retired Individuals and Families (including adults, youth and small children):** Housing Rehab: 1,091 Homelessness Prevention: 4,500 Teen Living Program and Transitional Shelter: 427 Rental Portfolio: 200 First Time Homebuyer: 96 Buyback/Resale: 131

Total In I. and II., above: 6,445 adults, youth and small children holding on to or working out alternative ways to keep a roof over their heads.

### III. Education/Training/Counseling/Placement and Retention Programs

#### Alternative Programs/Year Round

- **YouthBuild Just A Start Program** -Youth Ages 17-24, who have dropped out of high school. Focuses on high school credential attainment, skills training for construction and health care careers, career goal setting, life skills and employability training, transition to employment, college, or further training after graduation. Program participants co-enroll in AmeriCorps and provide housing rehab/construction services on affordable housing in the community.

Enrolled in Training: 375 Alumni Services: 200 Total: 575 Earned H.S. Diploma: 22 Earned GED: 81 Grade Level Increases: 200 Community Service Work Teams: 20 Groups Volunteers: 450 Housing Units/Rehab-Repair: 1,350 New Construction: 640 Community Facilities: 21 HBI Pre-apprentice Carpentry Training Certified: 99 Job Shadowing and/or Internships: 11 Job Placements/Higher Education: 207 Adult/Parent Sponsors: 446 Jobs: Construction, Facility Maintenance, Data Entry, Healthcare Higher Education: Associates in Nursing, Biomedical Careers Program at JAS Biomedical Program, Finance, Health Administration

- **Teen Living Program and Transitional Shelter**

Teen Mothers: 196 Ages 15-21 Their Children: 231 Enrolled in Education/Vocational Training Programs: 156 Parenting/Nutrition/Life Skills/Housing Alternatives Training: 130 Horizons For Homeless Children Play Space Program on Site Mentors Trained and in After Care: 109 Service Volunteers: 117 Young Families Rehoused: 173 (includes some prior graduates)

- **Futures for Young Parents Employment Services Program**

Young Mothers Served: 362 – Ages 15-21 Their Children: 354 Entry Grade Levels: 5.5 – 11 Enrolled in GED: 144 Earned GED: 78 Earned Grade Level Increases: 49 Placed in Entry Jobs: 38 Higher Education/Returned to H.S.: 30 Residents of JAS Teen Living Program: 51 Service Volunteers: 90

#### Traditional Public School Programs

Education, Employability and Career Exposure/Community Service Experience for Youth

- Summer Work and Remedial Education

Youth Enrolled: 409 In Remedial Education: 409 Affordable Housing Worksites: 41 Remedial Education: Literacy Building, Applied Math, Career Exploration, Finance and Life Skills Building, Applied Learning and Supervised Work Experience at Affordable Housing Sites

- Career Connection, After School Hours

Youth Enrolled: 104 Dropouts: 2 Graduated from High School: 28 Continued in Next School Year: 72 In College: 25 In Labor Force: 4 Had Jobs During the School Year: 17

- Teen Work Program

Youth in Job Readiness Evaluation and Preparation: 340 Summer Jobs: 171 Wage Range: \$8.00 - \$18.00/Hour Waiting List: 126 After School Hours Jobs: 78 Waiting List: 58 Main Types of Employment: Data Entry, Cashier, Library Assistant

### Adult Education and Training Programs

- **Biomedical Careers Program**

Enrolled: 135 Graduated: 132 College Credits: 18 Placements into Biomed Employment: 97 (ongoing)  
Other Employment: 9 Average Starting Wage: \$33,509

- **Dispute Resolution and Housing Responsibilities Training**

Landlords and Tenants: 2,277 Total Mediation Cases: 970  
Total in Dispute Resolution Training: 1,196  
Homeless Preventions in Place: 680 In Alternative Housing: 265  
Housing Costs for Tenants: 40-60% Range from per family  
Average Cost per Homeless Prevention: \$950 - \$1,100/Case  
Cost per Night for Emergency Motel/Hotel/Shelter: \$100 - \$120/room/night  
Types of Cases in JAS Management: Private (Section 8 Subsidy), Public Housing, Private Market Housing  
(Non-subsidized). Expanded role in case management of Diversion Funds and in administering Rent Subsidies.

### IV. Impacts in People's Lives and Economic Development for the Labor Force

- **Education and/or Vocational Training: 3,013**

- **Employment and Life Skills Education:**  
Training Programs: 1,817

- **Holding on to or Finding a Place to Live:**  
Housing Rehabilitation: 1,091  
Homeless Prevention: 5,054  
Teen Living Program: 427  
Affordable Rental Housing: 200  
Affordable First Time Homebuyer Housing: 190

- **Jobs Created and Retained:**  
Jobs Created/Sustained in the Boston Area Economy: 300  
In Just-A-Start: 65/year

### V. Funding/Financing/Other Resources

- **Funding Sources:** Federal: 8 State: 6 City: 9 Private Sector: 20 Private Charitable: 40  
Multiple In-kind Resources

- **Mentors, Tutors, Service Volunteers, Community Advisors and Advocates: 1,433**

- **Just-A-Start's Walk-A-Thons – Years 13-17**  
Participants: 500 Sponsors: 115 Funds Raised: \$167,900

*Just-A-Start Goal: To do as much as we can for humanity in the time that we have.  
(Quoted from A Christmas Carol, Second Spirit, by Charles Dickens)*

## ***CERTIFICATIONS, CREDENTIALS, AFFILIATIONS AND AWARDS***

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### ***CERTIFICATIONS AND CREDENTIALS***

1. Local Rehabilitation Service and Mortgage Certifying Agency for MA Housing Authority for Cambridge, Arlington and Belmont.
2. Portfolio Manager Nonprofit Rental Apartments. 598
3. Certified as Moderate Risk Deleader. Affiliations: Alliance To End Childhood Lead Poisoning, Lead-Safe America Alliance, MHA Get The Lead Out
4. Approved Homeless Shelter Administrative Agency, MA Department of Children and Families (DSS) and U.S. Department of Housing and Urban Development (HUD). Licensed Group Care Provider, Commonwealth of Massachusetts.
5. Member, Massachusetts YouthBuild Coalition and YouthBuild USA Affiliated Network. Approved Administrative Agency by HUD and MA Department of Education for the YouthBuild Program.
6. Approved by Cambridge School Department to award full high school diploma with MCAS in the YouthBuild Program.
7. Massachusetts Approved Vendor with Departments of Housing and Community Development, Transitional Assistance, Health and Human Services, Education and Labor and Workforce Development.  
Approved Training Provider, Workforce Investment Board, 10 Regions.
8. Certified Volunteer Service Agency.
9. Federal Approval as Tax Exempt under Sections 501(c) (3) and 509 (a) (1) and MA Division of Public Charities, Mass. G.L. Chapter 180.
10. Court-approved Mediation Services for Homeless Prevention in Malden, Chelsea, and Woburn Courts.
11. The Cambridge Biomedical Careers Program is authorized to provide training services to the communities of Boston, Greater Lowell, Metro North, Metro South West, North Shore and is Section 30 Approved.

Administrative Staff: 15-45 years experience

Housing Rehab/Financing and Services and Homeless Prevention: 22-43 years experience

Housing Development: 25-37 years experience

Training/Education/Counseling/Placement: 20-44 years experience

### ***AFFILIATIONS***

#### ***Training/Education/Placement***

Cambridge School Department; Cambridge Reaching All Youth Committee; Bunker Hill Community College; MA YouthBuild Coalition; YouthBuild USA Affiliated Network; Metro North Youth Council; Metro North Regional Employment Board; Cambridge Community Development Department and Office of Workforce Development; City of Cambridge, HUD Community Development Block Grant Program; U.S. Department of Labor – YouthBuild; MA Departments of Transitional Assistance, Labor and Workforce Development and Elementary and Secondary Education; JAS Biomedical Advisory Council; YouthBuild Employer Advisory Council.

#### ***Housing Rehabilitation/Financing and Stabilization***

Cambridge Community Development Dept. and Inspectional Services Dept.; Menotomy Weatherization Program; MHA; Cambridge Consumer Council; Cambridge Lead Safe and MHA Get The Lead Out;

HUD/CHA Sec. 8 Program; Cambridge Human Rights Commission; Somerville Homeless Coalition; HUD and Cambridge Community Development Block Grant and HOME Programs.

**Affordable Housing Development**

Cambridge Affordable Housing Trust; Boston LISC; Boston Community Capital; Harvard 20/20 Loan Program; Cambridge Housing Authority; Cambridge Savings Bank; East Cambridge Savings Bank; Bank of America; Cambridgeport Bank; Cambridge Trust Company; Winter Hill Bank; MA Housing Partnership; MHIC; HUD and Cambridge Community Development Block Grant and HOME Programs; MA Dept. of Housing and Community Development; National Equity Fund.

**Housing Stabilization/Homeless Prevention/Transitional Housing**

Healthy Families; Catholic Charities; Somerville Mental Health; Elizabeth Peabody House; Milestones; Somerville Alliance for the Homeless; Massachusetts Alliance on Teen Pregnancy; Horizon's Initiative; Boston College Pulse Program; Somerville High School COPE Program; Cambridge and Somerville Young Parents Providers; Cambridge and Somerville Housing Authorities; MA Department of Children and Families/DSS; HUD and Somerville CDBG and Sec. 8 Programs; Cambridge Family and Children's Services; Cambridge and Somerville Legal Services; Small Property Owners Association; MIT/Urban Studies; Harvard Program for Negotiation; MA Association of Resident Service Coordinators in Housing; Malden Chamber of Commerce, Housing Authority and Transitional Housing; TriCity Community Action Program; Medford Life and Family Services; Wayside Youth and Family Services; Healthy Malden; Salvation Army; East Somerville Neighborhood Association; Mystic View Task Force; East Cambridge Planning Team; New England Society for Professionals in Dispute Resolution.

**AWARDS**

National Center for Voluntary Action (NCVA). for W.H. Neighborhood Stabilization Program; Boston Soc. Of Architects for Harwell Homes Cooperative by W.H. Development Corporation; Distinguished Public Service, Keep American Beautiful; U.S. Presidential Award, Outstanding Community Service Project Under Job Training and Partnership Act (1 of 6 in the USA); Cambridge Historical Commission for Linwood Court by WHDC and Alewife Condominiums; Cambridge Chamber of Commerce Awards for Outstanding Community Development Corporation (2). N.Y. Society of Architects, Urban Design Award, for Alewife Condominiums; Initial HUD YouthBuild Funding Award (1 of 31 in the USA); MIT President's Award for Community Service; Cambridge Rotary Vocational Service Award; YWCA Tribute to Outstanding Women (2); MACDC 's Richard Smith Award to Gordon Gottsche, Executive Director of Just-A-Start; Just-A-Start's Summer Program received the 2012 Best of the Best Award from the Office of Workforce Development.

# **CASE STUDIES OF JAS HIP PROGRAM**

## I CASE HISTORY

The interior and exterior of this one family home had been neglected for the past twenty years and was in need of a complete rehabilitation, which consisted of new heating, plumbing, electrical, carpentry, walls, ceilings, new kitchen, bath and complete deleading. There was also major structural work along with exterior work such as roofing, siding and exterior decks and stairs.

The owner of the property was a 72 year old single male, who lived in the property without running water, heat and other necessary amenities such as bathroom facilities, kitchen, etc. He collects a pension and receives Social Security.

Along with the rehabilitation of this home, JAS helped homeowner in securing a new 1<sup>st</sup> Mortgage in the amount of **\$ 150,000.00** at an interest rate of **3.5 %** from the Cambridge Savings Bank Second Chance Program to refinance and pay off homeowner's 1<sup>st</sup> & 2<sup>nd</sup> Mortgage, and credit card debt and utilized **\$ 30,000.00** cash out from the refinancing for the rehab of owner's house. This new refinancing of homeowner's 1<sup>st</sup> Mortgage, brought down his mortgage payment from **\$ 1,650.00** a month to **\$ 721.00** a month, saving the homeowner over **\$ 929.00 / month**.

We have completed the the rehabilitation of this one family home using a combination of funds from Just A Start Corporation's Home Improvement Program together with a grant from the City of Cambridge's Historical Program, a grant from the Town of Arlington Menotomy Weatherization Program, and a deferred loan from the State of Massachusetts Home Modification Loan Program along with funds from the owner's refinancing cash out 1st Mortgage with the Cambridge Savings Bank.

Since the majority of financing was in the form of a grant or a deferred loan, we were able to make this renovation affordable to this elderly homeowner and to keep him in his home.

This refinancing and rehabilitation of this home will allow a long term Cambridge resident to stay in his house and avoid being displaced and will also serve as an example showing the partnership between public and private funding sources such as Just A Start, City of Cambridge, Menotomy and the Cambridge Savings Bank .

## II CASE HISTORY

One family home owned by an elderly disabled homeowner on a fixed income. Owner has a very strong extended family that is very involved in his life. Applicant came to us looking to make a series of repairs to make his home handicapped accessible so that he could continue to live independently in his home.

After meeting with the homeowner and his family and with the help of the City of Cambridge Handicapped Commission, Just A Start was able to come up with a rehabilitation plan to make these much needed handicapped modifications to the owner's home. We were able to finance these improvements with a combination of funds from the JAS HIP Program, CSB Line of Credit, and the Home Modification Program.

With these funds, JAS will be able to complete this rehab and allow a long term Cambridge resident to continue to reside in his home and avoid being displaced.

## III CASE HISTORY

Elderly homeowner of a two family home with a vacant apartment and in need of major rehab in her unit. Homeowner came to us with two estimates for this work from contractors that she found in the newspapers. After reviewing these estimates with the homeowner, we were able to explain to her that the estimates were really high and it looked like these contractors were trying to take advantage of her. We explained how we put all the work out to bid and we will receive three competitive bids for this work from independent licensed and insured contractors.

With the assistance of Lead Safe Cambridge, we were able to use their funds to delead the vacant unit and install new energy efficient windows in this rental unit and with our JAS Funds, we were able to use the funds from the JAS HIP Program to take care of the rest of the repairs in the owner's unit which included a new kitchen, new handicapped bathroom, electrical, plumbing and new flooring. The estimates received from the other contractors were for almost double the amount of what the homeowner actually spent, saving her a considerable amount of money.

Homeowner is now living in a unit with a new kitchen, a handicapped bath, which helps her quality of living for the rest of her life. She also was able to rent this vacant unit and receive the much needed rent that helps her with her monthly expenses.

#### IV CASE HISTORY

This case study is about an elderly couple on a fixed income who own a three family home. They are longtime Cambridge residents. They came to us with two vacant apartments in need of complete renovation. The loss of rent from these two vacant apartments was starting to take a toll on their finances, causing them to fall behind on their taxes and other monthly obligations.

Homeowners were also in need of constant care and wanted to have one of their family members move back into one of the rental units to help with their care. The house had major structural issues and had started to settle, causing sloping of the 2<sup>nd</sup> and 3<sup>rd</sup> floors. There was also electrical, plumbing, heating, carpentry, roofing issues that had to be dealt with.

Once again with the help of family members who are always included when possible in discussions and planning about the rehab and financing involved in these HIP cases, we came up with a rehab and financing package to address these major issues.

We were able to complete this rehabilitation of this three family home and keep this elderly couple in their homes. What made this project complete was the fact that the owner's son and family moved back into one of the rental units and they were also able to rent the other unit, giving them much needed income to help with their overall financial situation.

This refinancing and rehabilitation of this home will allow a long term Cambridge resident to stay in his house and avoid being displaced and will also serve as an example showing once again the partnership between public and private funding sources.

## V CASE HISTORY

Two family home that has been vacant for over two years. This elderly homeowner had passed away and the house was inherited by her son. With no insurance and inheriting a house that needed extensive rehab to make it habitable, the owner went to a couple of banks to inquire about financing, but was told they could not help him.

With no place to turn and the idea that he might not be able to secure any financing to rehab his new home, homeowner started looking into selling his home and moving out of Cambridge, a city that he has lived in all his life.

The homeowner was told by one of his neighbors that maybe he should call Just A Start Corporation and that they had helped her in the past when she had some major items in her home that had to be fixed. With that information, the homeowner came to Just A Start seeking help.

After sitting down with the homeowner and discussing his financial situation, we put together an estimate to see how much it would cost to rehabilitate his home and a financial package that was affordable to him. After many months in search of financing, Just A Start was able to secure the construction financing that was affordable to him.

The complete rehabilitation of this two family home, including all new electrical, plumbing, structural work, heating, lead paint removal, flooring, roofing, interior and exterior framing, and all new walls and ceilings. This also allowed the homeowner to move into one of the units and to rent out the other unit. With this added rental income, homeowner was able to meet all his monthly financial obligations, which has enhanced his quality of life.

This refinancing and rehabilitation of this home will allow a long term Cambridge resident to stay in his house and avoid being displaced and will also serve as an example showing once again the partnership between public and private funding sources and JAS commitment to keep their homeowners away from predatory lenders.

## VI CASE HISTORY

The house in question was a two family building that was in severe need of major renovation. Both units and the exterior had been neglected for the past twenty years and the property was uninhabitable. Homeowner at the time of application was living at one of her daughter's home.

The rehabilitation of this two family home consisted of new heating systems, new kitchen and baths, complete electrical upgrade, new roof, new exterior clapboard, flooring walls and new ceilings. There was also major structural work done in the basement to stabilize the foundation.

After meeting with the elderly homeowner and her daughter, JAS developed a scope of work and a financing plan that was affordable to our homeowner and was able to complete this complete renovation with a combination of funds from JAS HIP Program, the CSB Line of Credit, Lead Safe Cambridge.

With all the financing in place, we were able to keep the owner's housing expenses at 30 %, which made this very affordable to the owner.

When the rehabilitation was complete, homeowner was able to move back into her home that she had lived in for the past 30 years. The renovation of the rental unit will generate some much needed rental income that will help the homeowner with her overall financial situation. The owner was a lifetime resident of Cambridge.

## VII CASE HISTORY

Middle-aged single woman was the owner of this one family home. She was a longtime resident of the neighborhood, which consisted of some houses of historical significance. With this information in hand, we contacted the City of Cambridge Historical Commission and they expressed interest in funding this renovation. There were also some serious exterior renovations, which included removal of asbestos shingles, lead paint, rotted clapboard and a rear porch that was falling down.

She also had lead paint in her unit along with electrical and plumbing violations. After sitting down with homeowner and discussing the renovations, we came up with a rehabilitation plan that was affordable to her needs.

We were able to secure for her a Historical Grant from the City of Cambridge to supplement the JAS HIP Funds to complete this renovation.

With these funds we were able to complete the historical renovation of the exterior, install new rear porches, delead the unit, repair plumbing and electrical violations and restore the historical significance of her property.

## VIII CASE HISTORY

Three family home owned by longtime Cambridge elderly homeowners. The interior of the three units were in excellent shape, with a small amount of lead paint that was intact. Homeowners came to us with a major roof leak and through the Cambridge Savings Bank Home Improvement Program, we were able to offer them a 3 % loan to finance this repair.

We were also able to take advantage of the CSB Second Chance Program to refinance their 1st Mortgage and consolidate their other debts ( taxes, credit card debt, etc ), with a new 1st Mortgage at 4.5 % amortized over 30 years, saving the homeowners over \$ 400.00 / month. This refinancing will now keep longtime Cambridge residents in their homes for the rest of their lives.

## IX CASE HISTORY

One family house where elderly homeowner lives with her 16 year old handicapped daughter. Homeowner was on a fixed income, collecting a small Social Security check along with a small SSI Check for her daughter. Property needed a new roof along with new windows, fascia boards, minor electrical upgrades and interior carpentry. Home had a small amount of lead which was intact.

Because there were no children under six in the family household and that the small amount of lead was intact, we were able to use our Non/Lead Funds from the JAS HIP Program to have all of the above mentioned work completed.

We were also able to help homeowner with her refinancing, which lowered her interest rate on her 1<sup>st</sup> Mortgage and consolidated her other debts saving her an estimated \$ 300.00 / month.

# LETTERS FROM JAS HOMEOWNERS

**Alan Labelia**

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**From:** jack walsh <jbw0312@aol.com>  
**Sent:** Monday, January 14, 2013 1:30 PM  
**To:** council@cambridgema.gov; alanlabelia@justastart.org  
**Subject:** "Just A Start"

Honorable Councilors:

Concerned about the recent article I read, which was contrary to my experience with the "Just A Start" program, a scheduled public meeting that I cannot attend, would you give some consideration to the following?

The Housing Rehabilitation Division has been the most valuable gift this city has given to me, besides the opportunity to serve at Cambridge Hospital for 15 years.

If you need any additional information regarding services provided to me by this organization, and the people who have had helped me, please feel free to contact me at anytime.

Thank you for this opportunity, and your service.

Respectfully,

John B Walsh  
40 Speridakis Terrace #1  
Cambridge, MA 02139

Mrs. Mary Pilvalis  
84 Winter Street  
Cambridge, Mass. 02141

January 14, 2013

Mr. Dave McNamara  
Chief of Construction Services  
Just A Start Corporation  
1035 Cambridge Street #12  
Cambridge, Mass. 02141

Dear Dave,

I would like to express my sincere appreciation for all the help you and everyone at Just A Start have given me throughout the years. I have always considered myself very lucky to have the help, guidance, and expertise from you and the staff at Just A Start. As you know, my home in Cambridge is very old, as many of the houses in the area are. With your help, over the years, I have had a roof put on, vinyl siding done, the very weak side of the foundation fixed, electrical redone, help with plumbing, and just recently the first floor apartment redone, which included a new heating system that was desperately needed. Without this help, I could not have accomplished any of it. The apartment would not have been fit for rental. Though the assistance of Alan Labella, I have had no interest loans and now have a low interest loan to repay for the most recent work.

I am elderly living on a low income budget and need the rent from the apartment to sustain the house. Because of the work that was done refurbishing the first floor apartment, it was rented without a problem. The Just A Start crew should be very proud of how nice it turned out and I am grateful for the tremendous savings this program has passed on to me. You Dave, have always looked out for my best interest, and for that I am deeply appreciative.

The Just A Start program serves two very important issues. First, the Just A Start program has helped many people in the same circumstance as myself, Second, this program has given adolescents a hands on opportunity to learn a trade from experts in the field. I hope this program will continue to help those who need it and continue helping the youth in Cambridge with a wonderful opportunity to learn a trade.

Once again, thank you for all you have done to help me over the years. None of this would have been accomplished without you and the Just A Start program.

With gratitude,

Mary Pilvalis

## Alan Labella

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**From:** Antoinette Iozzo <tgiozzo@gmail.com>  
**Sent:** Tuesday, January 15, 2013 12:14 PM  
**To:** David Just-A-start  
**Subject:** Cambridge City council letter  
**Attachments:** Dear Cambridge City Council.doc

Hi Alan,

copied and attached

Dear Cambridge City Council,

I am unfortunately unable to attend this weeks meeting due to a work conflict. In lieu of my presence I am writing on behalf of my 91 year old Mother Cecilia Griffin of 9 Hews Street.

Over the last 13 year my Mother has used Just A Start many, many times to do maintenance and upgrades, both large and small to her home at 9 Hews Street. She has used Just A Start to add a downstairs bathroom, vinyl siding, window replacements, tree removal, and major plumbing projects.

For every project Just A Start was instrumental in our ability to get the job done. They provided extremely high quality and personal service! Just A Start provided very qualified and affordable contractors to complete the work and followed up at many stages during and after the projects to insure the work was going as planned and completed satisfactorily. She also used Just A Start to get affordable Loans for the work that was done.

We have been extremely pleased with our experience using Just A Start and would recommend them to anyone! We feel that the service they provide and the manor in which they provide it is greatly needed for the members our community.

Please feel free to contact me directly if you would like additional information.

Sincerely,

Antoinette (Toni) Iozzo

603-595-2087

## Alan Labella

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**From:** Phil Barber <philb@historicpages.com>  
**Sent:** Wednesday, January 16, 2013 11:31 AM  
**To:** council@cambridgema.gov  
**Subject:** re Public Safety Committee Hearing 1-16-13, Just-A-Start Corp.

I am writing to express my support for Just A Start Corp. I own a three family house at 7 - 11 Speridakis Terrace and have been a resident of Cambridgeport for over thirty years. In 2006 and again in 2011, I participated in Just A Start's Home Improvement Program and I was very satisfied with the quality of help I received with capital improvements and repairs done to my property.

I think it's fair to say that one of the most worrisome aspects of owning property is determining when and to what extent repairs/improvements are necessary, and finding and hiring reliable contractors to carry out the work correctly. Just A Start's help made this difficult process go far more smoothly, I believe, than I would have been able to manage without their help. Rehab Specialist David Macnamara provided expert analysis of what needed to be done on my property, prepared full descriptive bid solicitations, which were then submitted for bid to a number of contractors of known reliability; with his lengthy experience in the construction field he carefully monitored the progress of the work and verified its quality, far better than I would have been able to determine unaided. Alan Labella professionally processed my application and was able to secure financing for my projects at very favorable interest rates.

In sum, Just A Start provided the expertise, oversight, and financing of approximately \$100,000.00 on the following projects at 7 - 11 Speridakis Terrace:

- major structural repair and new siding at the rear wall, which had been seriously damaged by improper roof drainage
- new rubber membrane roof and gutters
- new porches, second and third floors
- rebuilding the second floor rental unit, including new bathroom, new efficient gas/hot water heating system, ceilings, complete repainting and floor refinishing
- new efficient gas/hot water heating system for the first floor unit
- repairs and painting rear hallway and steps
- reconstruction and finishing of front porch and steps
- painting the house, including substantial re-shingling
- replacing all old windows with energy-star vinyl windows

Some of this work was carried out by Just A Start's youth crews, whose work was very satisfactory. I believe this aspect of Just A Start's mission, helping unemployed young people to develop career skills and good work habits, is another extremely valuable service to the people of Cambridge.

All of this work was done in my opinion to the highest quality standards. There have been no

problems of any kind in the intervening years with the work that Just A Start oversaw for me here.

In addition, Just A Start informed me of programs that were available to help to fully de-lead the second floor unit, through Lead-Safe Cambridge, and to fully insulate the entire house, through the Weatherization Program. Just A Start also helped me obtain a grant from the Cambridge Historical Commission to restore the front of the house to its original configuration.

In summary I am grateful to Just A Start for the expert help they have provided in maintaining and upgrading my property, and hope to see this worthwhile program continued by the city of Cambridge for many years to come.

Very truly yours,

Phillip Barber  
11 Speridakis Terrace  
Cambridge MA 02139  
617 492-4653

Open letter to Cambridge City Councilors

Re: The January 16, 2013 public hearing, questioning the professionalism of Cambridge housing programs.

I have just learned that Homeowner's Rehab, Inc. is one of the Cambridge housing programs under review at this public hearing to be held tomorrow evening. Unfortunately, due to a previous engagement, I will be unable to attend. However, I request that this statement be read aloud at the meeting and incorporated into the meeting notes.

I am a senior citizen and have been a resident of Cambridge since 1969. In 1999, I bought a two-family house in North Cambridge and have worked diligently to keep the house in good repair. By 2009, the house needed a new roof and significant fascia work was required due to squirrel damage. I applied for a home equity loan from my "community bank."

Although it was the worst economy since the Great Depression, I was still shocked to discover that I was unable to access a penny of help despite my excellent credit, my flawless 40-year relationship with my bank and the sizable equity in my house (vastly more than the relatively small sum I was requesting.) My long history of model money management was not taken into consideration. The reason given was that my monthly income was too modest.

It was alarming to realize that I might not be able access a loan to do the critical work required to maintain my house. After considerable research, I was referred to Homeowner's Rehab, Inc. and quite simply, they were a godsend. Jennifer Jonassaint, the program representative was knowledgeable and very professional. She walked me through the entire process, asked helpful questions and gave me excellent advice. I applied for the program giving HRI all the same financial information I had given the bank. My profile fit their requirements.

Once my application was accepted, a remarkably thorough and well-designed process unfolded. An inspector came to look at the house and documented all the needed repairs. Bids went out to four different contractors. When the bids came in, I interviewed each of the contractors who had bid on the project and selected one of them based on their interview and their bid. The loan was then structured at low interest – with half of the total to be paid monthly over an extended period and half held as a lien.

This structure protects my modest fixed income in these uncertain times and it allowed me to make the critical repairs on my house. The entire project was overseen by Kevin Nestor who served as Project Manager. He, too, is an extremely knowledgeable professional and kept track of the contractors and their workmanship. Finally, after all the work was completed, an inspector came and conducted a thorough inspection of every aspect of the project.

Start to finish, HRI did a superlative job and I would recommend them to anyone who is eligible for their services.

I implore you, do not let one bad apple (which will always be somewhere in any barrel) tarnish this invaluable program. It is badly needed in our City which is increasingly becoming an economic monoculture where only the wealthy can afford to live here. It is already out of reach for most of our young. If we allow this to continue Cambridge will lose one of its most unique assets: its diversity of economic class, race, age and culture.

Sincerely,

Leslie Borden  
12 Saginaw Avenue  
Cambridge, MA 02140

[lesliewb@verizon.net](mailto:lesliewb@verizon.net)

ATTACHMENT C**Affordable Rent Policy**

Except as provided below, the City of Cambridge affordable rent maximums shall be the Fair Market Rents (FMR's) established by the U.S. Department of Housing and Urban Development for its existing Section 8 program. An exception will be made where a low/moderate income tenant is already paying a rent in excess of the FMR. In such cases, it will be the policy of the City that, since the tenant is already paying that amount of money and since the owner is already depending on that amount of money each month, the tenant's current rent shall be considered acceptable, provided that the tenant pays no more in rent upon completion of rehabilitation.

**CERTIFICATE OF ACCEPTANCE OF AFFORDABLE RENT POLICY**

I, the below-signed owner of the residential structure at  
Cambridge, Massachusetts, certify that:

1. The rent charged by me in the apartment that qualified my structure for Federal financial assistance (Apartment Nos. \_\_\_\_\_) will not be raised upon completion of the HIP project above that listed in my application for financial assistance unless as stated in #3.
2. For a period of five (5) years the rent in any of the above cited apartments shall be adjusted by no more than the annual increase in the Consumer Price Index (CPI) "For All Items" for Boston, published by Bureau of Labor Statistics in the month of the anniversary of the HIP loan closing.
3. If a vacancy occurs in one or more of the above cited apartments, I will fill it with an income-eligible tenant at a rent no more than the Fair Market Rent established by HUD for its Housing Choice Voucher Program. If I am unable to identify an income-eligible tenant I will ask the City's Community Development Department for assistance in identifying prospective tenants.
4. I understand that the City of Cambridge has the right to determine whether my certification of the above is in all respects accurate and agree to provide relevant information upon request by the City to verify compliance with these requirements.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**CERTIFICATION OF AFTER-REHAB ELIGIBILITY**

I certify that I have complied with the conditions stated above.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

ATTACHMENT E

Sue Roberts  
10 Berkshire Place  
Cambridge 617-547-4976

Intro to J.A.S.

Recommend To All  
Some have used JAS  
All satisfied

That's 55 years ago.  
→

Home improvement

My mother started with JAS Dec. 16, 1968. I know ~~that~~ <sup>that date</sup> for sure because the demolition crew wanted to start the previous Friday - it was Friday the 13th - My mother said no - start on Monday the 16th, 1968

My home was totally <sup>100%</sup> remodeled. Walls <sup>down</sup> to the <sup>then sheetrock</sup> lathes, new floors, new electrical, new plumbing, roof checked, some new windows, bathroom moved upstairs, walls <sup>WERE</sup> moved upstairs to make closets, hook ups for a washer, <sup>1st</sup> 2nd floor supported with <sup>6 metal/cement poles?</sup> 6 columns and upstairs supported by a <sup>steel wrapped in thick wood.</sup> 25-30 I beam

people who visit for the first time think it's beautiful on a new build. Now it's a 1968-69 JAS rehab and it's just over 100 years old. now.

Fred Fanini used the

proud  
my

I had <sup>surgery AND treatment</sup> Breast cancer in 2008. I was on short term disability, called JAS explained situation. Asked for a 6mo. suspension of my mortgage. JAS says no payment for 12 months if necessary. I knew of this policy because of my friend Mary Ellen. A few years before she used the 12 month policy. She was dying of a terminal disease <sup>AND couldn't work</sup> — but she knew she and her family wouldn't be homeless. If her loan had been by a bank, they would have foreclosed. JAS ~~SAVED~~ <sup>SAVED</sup> ~~foreclosure~~ <sup>from foreclosure</sup> for her family. During my treatment JAS would pop in for a 30 sec - 2 minute hello, how are you doing? I don't think a bank would do that.

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THE January of 86, there was a MAJOR THAW and a heavy rain. My street has no sidewalks so snow was piled up on both sides from the plowing of previous storms. <sup>snow</sup> ~~It~~ was melting from <sup>Thaw</sup> ~~RAIN~~ <sup>RAIN</sup>. I heard water running in my cellar. I checked <sup>AND I</sup> ~~AS~~ SAW seepage from between the bricks and <sup>foundation</sup> 3 spots that looked like a boy urinating.

Home

my hot water heater and furnace were in danger  
I called JAS, explained I had no open case,  
but I needed help, soon. I was told they'd be  
there soon. They were. <sup>30 min:</sup> <sup>STAFF</sup> Two men who had ~~be~~ never  
seen ~~me~~ before were <sup>soon</sup> sloshing around my cellar -  
I remember one had on nice shiny shoes. I felt bad.  
The water <sup>was</sup> about an inch now - <sup>AND</sup> ~~but~~ rising still.

jmp  
jmp

JAS called Home Depot, who had 1 sump pump  
left. He identified himself and said he'd  
be there ASAP. He went to H.D. PAID for it,  
hooked it up, and showed me how it worked.  
Then he told me every few hours to put  
it in a deeper puddle. I'm afraid of water <sup>AND</sup>  
electricity and told him, <sup>You want me to do what?</sup> He said with rubber  
sole boots I'd be fine but if I was really  
afraid he'd come back ~~to~~ every few  
hours to move the pump. By now it was 6-7pm  
and he lived ~~in~~ ~~at~~ ~~the~~ ~~house~~. I couldn't do that  
<sup>ABOUT HALF AN HOUR AWAY!</sup>  
to his family - and I moved the pump; praying

11/ PS ?

A few years after I got a new roof, from my  
<sup>upstairs</sup> window I could see 3-4 nail pops on my porch roof. <sup>I couldn't</sup>

This man has been my trusted home supervisor for 26 or 27 years. I've had JAS updates every few years to maintain my house - with 99.9% satisfaction. The one time I had a problem was painting a porch door. When I checked it, I wasn't satisfied. I called my supervisor who came the same day. He checked and within 3 days it was repainted to our satisfaction.

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nted

This home supervisor will pop in to check on a brand of machinery (furnace) to reccomend it to another job because mine is so good. When I have work done, he pops in daily to check on progress and quality of the work done. They respect and fear him a little I think

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Crew

This man will answer my questions so I can understand them. One time I was having a porch door installed. He was outside talking to the worker. I came outside and asked the worker 2 or 3 questions. My home sup. looked up and told me "he had everything in hand" and "Sue, go in the house." He then told the worker, "Sue and I go back a long way and I can tell her that, but ~~we~~ I <sup>don't</sup> ever hear you <sup>were</sup> talking to her like that."

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WANT  
TO

55 years ago

1/15/13

To Whom It May Concern,

Many years ago, before I had a full time job and was in a precarious financial situation with 2 small children, my bathroom started leaking – or pouring – down into my neighbor's bathroom. I had no idea what to do as I had no real income. Luckily, I was connected to Homeowner's Rehab which offered several options for financing home repairs. They led me through the process and hired contractors to do the work. They oversaw the process and inspected the job.

Meanwhile, I had a second mortgage at a much lower rate than I could have found at any bank. I would not have known the first thing about hiring contractors, what all needed to be done, etc. HRI was sympathetic and professional throughout the process.

I have recommended HRI to many seniors who are home owners with no savings or income to finance repairs to their homes.

Liz Seelman  
25 Richard Avenue  
Cambridge 02140  
617-661-3644

# ATTACHMENT G

Wednesday, January 16, 2013

On behalf of Homeowers Rehab Inc.

I would like to thank HRI and the City of Cambridge for helping me with my home project. HRI has been so beneficial to my household during my time of need. The Home Improvement Program have helped me to fix my leaking roof and bathroom, broken heater, and dealed both of my units and perform other necessary rehab.

There are many other Cambridge homeowners wanting rehab assistance like I received so I would hate to see this program jeopardize in any way. I would certainly be voicing my strong opinion and concerns to the Cambridge City Councilors to get other supporters on board in support of this much needed program.

My home was in substandard condition before and HIP has repaired my home. I would not been able to afford this and manage the work if it wasn't for this program.

I would like to publicly thank HRI for coming to my aid in my time of need. I would love to forward this letter to the Cambridge Chronicle, if it would help in stabilizing the program.

Please call me if you need to further speak with me.

Cambridge Homeowner & Community Activist

Phyllis Newton

24 Jackson Street

Cambridge MA 02141

781-492-8155

## Letter of Support for HRI

January 14, 2013

To Whom It May Concern:

I am writing this letter in support of Homeowners Rehab., Inc. for the work they have provided me with starting in October of 2004 to March 2005. I approved and sign-off on each job as it was completed.

Because of HRI, some much needed improvements were performed in my home at 193 Rindge Avenue, Cambridge, MA 02140.

HRI provided the funding and help make the selections of various Contractors used for the various projects that were preformed. The home improvements provided included:

1. A new roof
2. replacement/water heater
3. replacement/very old gas furnace
4. heating vents (floorboards ) in rooms that previously had no heat source
5. replacement of old kitchen cabinets (and sink)
6. a new dishwasher (that I selected)
7. new kitchen floor (tile)
8. new floor in the entry way (ceramic tile)
9. new windows for 95% of the house
10. new lighting in the basement and:
11. new basement floor (a tree was cut down that was too close to the house)

Every job was preformed with my supervision and approval and the work was guaranteed for five (5) –years.

In additions my home was also De-leaded - the house was insulated and there was landscaping and de-leading for my yard as well.

I owe a great debt of gratitude to HRI for all the assistance that was provided for me at a time when I could not have possible have taken care of these things due to my limited financial circumstances.

Please consider other families in need to this type of assistance to improved and upgrade conditions in their homes and could not otherwise afford the necessary home improvements if not for programs like HRI.

Thank you for your consideration – may God bless everyone involved.

Submitted by: Patricia B. Stewart  
193 Rindge Avenue, Cambridge, MA 02140

Wednesday, January 16, 2013

On behalf of Homeowner's Rehab Inc.

I have been fortunate enough to have watched HRI as it guided me through the process of arranging for a new roof.

Jennifer Jonassaint and Deb Hall went out of their way to make sure that I understood and approved the whole process. Everything was done legally and went smoothly.

Jennifer also caught on that the mortgage on the house was very expensive and she led me to a much better one.

HRI's clients come first and they are very dedicated to that concept. I'm one who knows.

Very sincerely,  
Elizabeth T. Snyder  
HIP Client

Stephanie V. Morris  
6 Eaton Street,  
Cambridge, MA.02139

January 14<sup>th</sup>, 2013

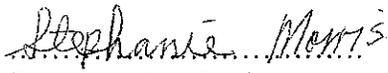
Homeowner's Rehab. INC.  
280 Franklin Street,  
Cambridge, MA 0213

To Whom It May Concern:

This letter of reference is written in support of Homeowner's Rehab. INC. I have been a customer of Homeowner's Rehab. INC., since 2004. In May 2004, Homeowner's Rehab. INC came and renovated my bathroom and living-room's ceiling. The job was excellent and to-date there has not been any problems.

I was very satisfied when the work was completed.

Sincerely,

  
Stephanie V. Morris