



## community development partnership

November 6, 2012

*Promoting a vibrant and diverse community on Lower Cape Cod*

Paul Ruchinskas  
Cape Cod Commission  
P.O. Box 226  
Barnstable, MA 02630

RE: Gull Cottage/885 State Highway/Eastham, MA-Refinance

Dear Mr. Ruchinskas,

This report is provided to outline the current condition and needed upgrades of two cottages located at 885 State Highway located in Eastham, MA. The two cottages are part of a five unit property situated on large lot located on State Highway. Of the five units, these two cottages are in the most need of repair. They were built in 1950 and provide living space for two households as well as the common laundry and storage facilities for all five units. They are wood-frame constructed on cement block foundations. The siding is white cedar on the sides and back and clapboard on the front. The front sections have been covered with vinyl siding. Windows and doors are standard; the roof is asphalt shingles. Small insulated crawl spaces each contain a natural gas furnace which is less than 10 years old; domestic hot water is supplied by a common tank located in the laundry room. Interior conditions are typical, with minor upgrades having been done over the years, which provide clean and adequate kitchen and bathroom areas as well as living and bedroom areas.

### PLANNED REHAB:

The rehab that has been specified and is currently in the bidding process for this property is a complete overhaul of the exterior components. Starting at the foundation, where there is minor sill rot, we will remove and replace any areas which are showing signs of decay. All of the building components, which are either compromised or are at the scheduled replacement time, will be stripped off the building. For these two buildings, this includes all siding, exterior trim, doors, windows, and roofing. Prior to replacement of these exterior envelope materials, any and all decayed or compromised sheathing will be replaced. At that point a layer of 1" rigid insulation will be applied the entire shell of the building. This will not only allow for an added insulating measure over the wood framing materials, but will also "air seal" the entire home. Both of these steps will ensure lower heating utility bills for the residents.

All new double pane, insulated windows and insulated doors with storms, will be installed; as well as complete second egress created at the rear of each unit. New White Cedar shingles will be applied to the sides and rear of the home and traditional clapboard on the front sections. The new exterior trim work will utilize rot resistant pine in all areas, including roof, soffit, fascia, corner boards, and door trim; all areas to receive two coats of low V.O.C. paint. The new architectural roof will be adequately ventilated at the gable ends.

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There will also be hardwire upgrades in the smoke detectors and CO monitors, eliminating the need for battery operated or plug in devices. The bathrooms will receive an exhaust which will terminate to the outside. The Energy Star rated unit will provide a continuous exchange of fresh air to the home; which is important due to the extensive insulating and air sealing which will take place.

All work will be done in accordance with state and local laws, codes and ordinances. The lowest bid provided by a qualified, licensed and insured General Contractor will be chosen. All work will be permitted by the Town of Eastham with final inspections needed prior to release of final payment.

BUDGET:

The funds needed to begin the most pressing work, which involves the two cottages described below, are currently budgeted at \$89,855. (Additional, less critical work, on the other three units will be conducted as funds become available through grant and fundraising efforts.) The sources for the funds will come from the net of this refinancing, approximately \$46,000; additionally there is \$10,000 available in the operating reserve. The remaining balance of funds will be provided from by the CDP (owner equity) which are available and on hand.

MORTGAGE:

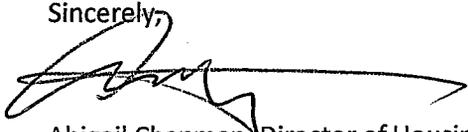
The property currently has a mortgage with Cape Cod Five at an interest rate of 9% with a monthly payment of \$960.93. A smaller mortgage through Mass Housing Finance Agency (MHFA) has a monthly payment of \$145.83. Because MHFA will not subordinate for a loan that exceeds 103% of the payoff amount, that loan will be paid off during the refinance. Upon refinancing the new loan balance will be \$165,900 and carry a monthly payment of \$1,028.13. This refinance will not only finance much needed repairs, but reduce the monthly mortgage payment by \$78.63 a month.

TIMELINE:

The specifications for all work described above have been provided to four contractors with whom the CDP has worked with extensively in the past. Bids are due on November 12<sup>th</sup>, 2012 at 5:00; work to begin upon approval of refinance. Since the majority of the work will be done on the exterior of the homes, residents will not need to relocate. The CDP will work with its management company to insure residents are aware of the upcoming rehab work, what it will entail, and a precise schedule detailing contractor's activity.

Please feel free to contact me with any questions or concerns you have: Phone: 508-240-7873 EX: 23 or Email: [abigail@capecdp.org](mailto:abigail@capecdp.org)

Sincerely,



Abigail Chapman, Director of Housing and Energy Efficiency Programs